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ENVIRONMENTAL ASSESSMENT BOARD



ONTARIO HYDRO DEMAND/SUPPLY PLAN HEARINGS

VOLUME:

90

DATE: Tuesday, December 10, 1991

BEFORE:

HON. MR. JUSTICE E. SAUNDERS

Chairman

DR. G. CONNELL

Member

MS. G. PATTERSON

Member



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ENVIRONMENTAL ASSESSMENT BOARD ONTARIO HYDRO DEMAND/SUPPLY PLAN HEARING

IN THE MATTER OF the Environmental Assessment Act, R.S.O. 1980, c. 140, as amended, and Regulations thereunder;

AND IN THE MATTER OF an undertaking by Ontario Hydro consisting of a program in respect of activities associated with meeting future electricity requirements in Ontario.

Held on the 5th Floor, 2200 Yonge Street, Toronto, Ontario, on Tuesday, the 10th day of December, 1991, commencing at 10:00 a.m.

VOLUME 90

BEFORE:

THE HON. MR. JUSTICE E. SAUNDERS

Chairman

DR. G. CONNELL

Member

MS. G. PATTERSON

Member

STAFF:

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ALANNA MARY QUINN,

BRIAN JOHN McCORMICK,

REED CAMERON HARRIS; Resumed.

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LIST of EXHIBITS

No.	Description	Page No.
143	1990 NUG Plan Errata.	
409	"Wind Energy Comes of Age" submitted by Dynamo Genesis.	
	(143 and 409 omitted from Volume 89)	
367.105	Interrogatory No. 6.10.3.	15824
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367,109	Interrogatory No. 6.2.96.	15856?
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412	Excerpt, "As Long as the Rivers Run: Hydroelectric and Native Communities in Western Canada", by James B. Waldram.	15964
413	Mr. Mark's Package of Interrogatory Responses.	15970



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1	Upon commencing at 10:03 a.m.
2	THE REGISTRAR: Please come to order.
3	This hearing is now in session. Please be seated.
4	JUNE BASU ROY,
5	KENNETH SNELSON, ERSKINE LEE FLOOK;
6	THOMAS EASTON WIGLE; ALANNA MARY QUINN;
7	BRIAN JOHN McCORMICK; REED CAMERON HARRIS; Resumed.
8	CROSS-EXAMINATION BY MS. MARLATT (Cont'd):
9	Q. Ms. Quinn, I believe we left off
10	yesterday at a discussion about the term co-planning.
11	Just for ease of following this in the transcript, we
12	were referring to page 29 in Exhibit 411, which is
13	transcript page 15593, and at the time we broke
14	yesterday we were discussing the Abitibi situation. I
15	believe that it was your definition that suspension of
16	Abitibi followed by co-planning; correct?
17	MS. QUINN: A. Can you just rephrase
18	that? I'm sorry.
19	Q. We had been discussing what
20	co-planning was, and I believe that my recollection of
21	your testimony was that you qualified the term
22	co-planning in Abitibi as also including suspension
23	then followed by a co-planning process.
24	A. Yes, the exclusion criteria relates
25	to a suspension of activities until a co-planning

1	agreement	hac	heen'	reached
-	agreement	11as	neen	reached.

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2	O Co in that masses are
	Q. So in that reference then, there is
3	clearly a veto power for the local First Nations with
4	respect to that project; correct?
5	A. Well, if you consider our voluntary
6	suspension as involving veto, it may be. That isn't
7	exactly how we characterize it.
8	Q. I am actually looking for exactly how
9	you characterize it. Perhaps you can help me, Ms.
10	Quinn. If you have suspended the work on that project
11	for now until co-planning is in place, what is Hydro's
12	policy if a co-planning agreement cannot be reached?
13	A. There is no policy. The decisions
14	are made case-by-case.
15	With regards to the Moose River Basin,
16	and I will use that phrase rather than the Abitibi,
17	Hydro voluntarily agreed to suspend its activities in
18	terms of doing a project-specific work and the basin
19	plan assessment, and as you know it's become an
20	exclusion criteria here. But also what has happened is
21	the provincial mediator has been appointed.

THE CHAIRMAN: I think what she is asking, I think that what was part of the announcement that was made in early September was that if there wasn't an agreement with the people up there, then

1	nothing further would be done. So, that would mean
2	possibly that there was, in effect, a veto power in the
3	hands of the community, that if they didn't enter into
4	an agreement that would be the end of it.
5	Is that your understanding?
6	MS. QUINN: Well, it's not entirely my
7	understanding. I guess it's a bit of a subtle point.
8	The result may be that no studies
9	proceed, but it isn't necessary a given thing that
10	because a co-planning study is suggested and a local
11	group doesn't accept it, that nothing happens.
12	In the case of the Moose River Basin we
13	have taken it a step further and we have explicitly
14	said that we would suspend our activities until there
15	is an agreement.
16	THE CHAIRMAN: Just a moment. What you
17	are saying is that there may not be an agreement on
18	studies.
19	MS. QUINN: Yes.
20	THE CHAIRMAN: Or a cumulative impact
21	assessment or whatever it was, but that doesn't
22	necessarily rule out the possibility you will develop
23	the area; is that what you are saying?
24	MS. QUINN: All I am saying is that at
25	some point in time through some other process, and in

1	this case we have a provincial mediator that's been
2	asked to step in and discuss these matters, there may
3	be something that in the long-term overcomes the
4	situation, and so I guess I don't characterize it as
5	being a veto.
6	I am saying from Hydro's point of view we
7	are not planning to proceed, but we don't know what the
8	end result will be. It's been taken, in a way, out of
9	our hands.
10	MS. PATTERSON: I thought you had agreed
11	with Mr. Kelsey that it was a veto.
12	MS. QUINN: Actually I didn't. As I went
13	through the transcript I didn't. I kept trying to use
14	my definition of co-planning and his was something a
15	bit different.
16	MS. MARLATT: Q. Well, Ms. Quinn, then,
17	your testimony appears to be that suspension followed
18	by co-planning is not veto power for the First Nation
19	communities; correct? Yes or no?
20	Ms. Quinn, my clients do not see it as a
21	subtle point. We would like a yes or no answer on this
22	question.
23	MS. QUINN: A. If they choose not to
24	participate in a co-planning agreement, then in terms
25	of its relationship with Hydro, the studies won't

1	proceed. So, the implication may be that there is a
2	veto there.
3	But I really, as I have said, there is
4	more activities going on. I can only speak for Ontario
5 .	Hydro's activities.
6	Q. Ms. Quinn, I am not asking to speak
7.	for any other activities outside of Ontario Hydro's
8	scope. But is it Ontario Hydro's position that with
9	regards to it's own activities, if suspension followed
10	by co-planning occurs, is that a veto for the local
11	communities, the local First Nation communities?
12	A. As far as Ontario Hydro goes, yes.
13	Q. Yes.
14	All right, Ms. Quinn, then let's try and
15	take that another step. With the Little Jackfish
16	project, again on page 29 of Exhibit 411, your answer
17	is that:
18	"In the Little Jackfish project where
19	we offered co-planning and if I can
20	just correct or be specific. By
21	co-planning we really mean a doing of
22	studies together because there is an
23	inadequate data base and reaching an
24	agreement on how all of that is done."
25	Now, on to page 15594, line 9, you are

15810

1 asked: 2 "There was no statement of 3 consideration of putting the same policy 4 to them..." and I believe this refers to 5 Little Jackfish "...in that area as had 6 been put and implemented on the Abitibi?" 7 Your answer. 8 "ANSWER: That's correct. 9 And I think if I can refer you back to 10 the announcement that things have 11 changed. There is now a government 12 recognition and government agreement, 13 statements of political relationships, 14 which has changed very much how groups 15 work together with Aboriginal people, in 16 particular with First Nations because 17 that agreement is with First Nations." 18 Now, Ms. Quinn, considering this 19 statement in relationship to the document signed by the 20 Ontario government and First Nations, the statement of 21 political relations, would the concept of a veto by 22 First Nations on developments by Ontario Hydro around 23 their communities in your mind be appropriate for their 24 status as governments?

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Well, municipalities are governments,

- 15811
- 1 regional governments are governments. I think the
- 2 point behind the statement of political relationships
- 3 is that the First Nations are equivalent to provincial
- 4 governments, they have powers equivalent to provincial
- 5 governments, and we do report to the provincial
- 6 government. So I think that there is a recognition of
- 7 the governmental role, but I think it goes beyond that.
- 8 Q. Well, Ms. Quinn, I am asking you to
- 9 go beyond that. Is that Ontario Hydro's understanding
- 10 that in its recognition of First Nations has
- 11 governments, and perhaps in your mind you are
- 12 characterizing it as provincial government powers, does
- 13 that mean that First Nations have the right to veto
- Ontario Hydro developments in their area?
- 15 A. I honestly can't answer the question.
- 16 The decision for the Moose River Basin was made at a
- very senior level and it is made on a case-by-case
- basis and there is no policy. There just is no policy
- on this point that can be applied beyond one case.
- Q. Well, Ms. Quinn, then, has Little
- 21 Jackfish, the First Nations in the area, ever been
- offered a veto power over that development?
- A. No, they weren't.
- Q. Thank you.
- 25 Have they ever been allowed to at least

	Harris (cr Marlatt)
1	choose the type of development they would like?
2	A. They participated in the part of the
3	environmental assessment that had to do with looking a
4	alternatives.
5	Q. When you asked them about their
6	concept of alternatives, was it in a situation where
7	they would be allowed to choose the type of development
8	that would occur in their area?
9	Mr. McCormick, perhaps you can help me
.0	here.
.1	MR. McCORMICK: A. I am not sure what
.2	you mean by type of development.
.3	I think their concerns in respect to the
. 4	alternatives that were put forth were factored into the
.5	analysis.
. 6	Now, in northwestern Ontario we did look
.7	at other means of generating power, so there was
.8	alternatives to the undertaking, and alternative
.9	methods which were alternative ways of developing the
20	potential at Little Jackfish.
1	[10:15 a.m.]
2	Q. All right, Mr. McCormick, in that
23	way, was the First Nations around Little Tackfish ways

developing the Little Jackfish River they would prefer?

they given the power to determine what method of

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1	A. No.
2	Q. No. Thank you. Were they given the
3	power to determine at least the location of the
4	development on the Little Jackfish River, Mr.
5	McCormick?
6	A. No.
7	Q. Thank you.
8	All right, Ms. Quinn, considering the
9	equal status of the First Nations in the Moose River
10	Basin and around Little Jackfish, I've reviewed your
11	testimony on what you perceive to be the differences in
12	those two cases, and I've come up with only two
13	reasons, and you can correct me if I'm wrong.
14	One is that you consider that Hydro has
15	an acceptable data base for the Little Jackfish
16	project, and the other is the timing of Little
17	Jackfish. In your mind are those the two distinctions
18	between the situation around Little Jackfish and the
19	Moose River Basin?
20	MS. QUINN: A. There are other
21	distinctions. One is that within the Little Jackfish
22	project we were able, by way of a consultation program,
23	to collect the data. And I keep referring back to
24	co-planning as really relating to the doing of studies

What happened was rather than us sitting

- 1 down and organizing a way in which the Aboriginal 2 people would collect their own data and we would 3 discuss it, we agreed to collect it for them and they 4 verified it. So there was a distinction to be made in 5 terms of how the studies were done that allowed us to 6 proceed on the Little Jackfish. 7 Q. But, Ms. Quinn, what you've just 8 detailed, is that not how you got to what you 9 considered to be an acceptable data base? 10 A. Yes, now if I can speak to the Moose 11 River Basin situation, in the plan assessment work where the data base is something that no one has 12 13 collected into any great extent, it would require 14 original field research and people participating in a 15 variety of different kinds of studies in a variety of 16 different ways. It isn't possible to proceed with the straight consultation activities. So there is 17 18 differences in the nature of the studies.
 - Q. Ms. Quinn, if we remove the nature of the studies from the situation for a moment and say that we have the same level of information on Little

 Jackfish as we have on the Moose River Basin just for a moment, would the only difference then be the timing of the projects?

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25 A. Timing certainly has been a critical

1	factor, and we think in particular of the signing of
2	the statement of political relationships as being the
3	dominant change affecting timing. I'd like to leave it
4	at that.
5	Q. So if a development was proceeding to
6	a environmental assessment, in fact it had the
7	environmental assessment submitted prior to the signing
8	of the statement of political relations, then you
9	considered that to be a different case than if you were
10	proceeding to submitting a draft EA after the signing
11	of the statement of political relations, is that
12	correct, Ms. Quinn?
13	A. Yes, although our corporate
14	Aboriginal relations guidelines were ahead of the
15	provincial government's signing of the agreement with
16	the First Nations, and it recognized that Aboriginal
17	people had a different legal status. So the timing
18	specifically for Ontario Hydro, is a little bit in
19	advance. It's 1990, a little bit in advance of the
20	provincial government agreement.
21	Q. All right. But, Ms. Quinn, aren't
22	you saying that First Nations have a different status
23	only if that development is after August 1991?
24	A. Well, I thought I just said from an
25	Ontario Hydro point of view, we started a little

- 1 earlier recognizing a different status. 2 Q. Ms. Quinn, that's fine. But even 3 starting a little earlier, that's where you're drawing the distinction in whether you treat a First Nation as 4 5 a government or not. 6 Yes, that's true. Α. 7 Thank you. 8 MR. SNELSON: A. There is one other 9 point of difference that we think is quite significant, 10 and that is that we considered that we have government 11 direction to proceed with environmental assessments on 12 certain projects, including Little Jackfish. 13 All right, thank you, Mr. Snelson. 14 Ms. Quinn, throughout your testimony in discussing data base, and whether or not you have 15 16 acceptable data base for certain projects, I believe 17 you've referred to the concept of a data base being 18 suspected by local communities. Is that accurate? 19 MS. OUINN: A. Credible. 20 Credible is the word you would 21 prefer? 22 Is it your testimony, Ms. Quinn, that the 23 communities around Little Jackfish find the data base 24 to be credible?
 - A. I would like to answer that by saying

1	I think that's site-specific. I think that we went
2	through a verification process with them, and we did
3	not submit our environmental assessment until the data,
4	the community profiles, discussion of effects and
5	significance had been verified with them, there had
6	been discussion about impact management.
7	In fact we have signed an agreement with
8	the Whitesand Band, and it is attached to an
9	interrogatory, this particular agreement, and we are
10	proceeding to collect further data on specific topics
11	in case the project is approved. So I have nothing at
12	this point to suggest to me that it is not credible.
13	Q. Ms. Quinn, did all the First Nations
14	in the vicinity of Little Jackfish agree with you, on
15	working together with Hydro on studies?
16	A. There were study areas identified for
17	transmission and generation and there were different
18	First Nations associated with each.
19	Q. That's not my question. My question
20	is whether or not those First Nations were all involved
21	in creating this credible data base on Little Jackfish?
22	A. And are you speaking about generation.
23	or transmission, I am sorry?
24	Q. Generation.
25	A. I wasn't on the project. Maybe I

1 could get some help on that.

O. Mr. McCormick?

MR. McCORMICK: A. I think there is two

aspects of this, and that was what was done through the

preparation of the environmental assessment, and I

believe that to be true, the public involvement program

did involve all communities surrounding Lake Nipigon.

Now if you're talking about the agreement with the Whitesands, very early in the negotiations we were insistent that the study encompass all Aboriginal use in the vicinity of our project, and until very late in the negotiations that was our position, and in fact the chief of the Whitesand band who was negotiating with us had met with the other chiefs, and he was representing their interests very late. Some break down occurred and we ended up with an agreement that only dealt with them.

Our intent in the longer term, if there were other groups who also shared that homeland, and I think that is yet to be determined, that they would also -- a similar study could also be undertaken with them. But this study, in effect, was our first effort at something of this magnitude, and we proceeded with the Whitesand band directly in an area we understood to be their homeland.

1	Q. Mr. McCormick, I should make clear
2	that I do not wish to get into site-specific
3	information on Little Jackfish. I'm only trying to
4	track some of the comments that have been made earlier
5	by this panel with regards to whether or not you have
6	credible data base around Little Jackfish. I'd like to
7	step back for a moment and say are you aware that the
8	area around Little Jackfish is covered by the Robinson
9	Superior Treaty?
10	A. Yes.
11	Q. Are you aware that within that treaty
12	area around Little Jackfish, there are more First
13	Nations than just Whitesand First Nation?
14	A. Yes.
15	Q. Are you aware of Rocky Bay First
16	Nation?
17	A. Yes.
18	Q. Are you aware that that First Nation
19	uses subsistence fishing for its economy entirely, Mr.
20	McCormick?
21	A. We're out of my area here.
22	Q. All right, are you aware that there
23	is a First Nation called Gull Bay First Nation in the
24	area, Mr. McCormick?
25	A. Yes.

1	Q. Now when you talk about they or
2	Aboriginal people's around the area of Little Jackfish,
3	are you not just referring to the Whitesand First
4	Nation, Mr. McCormick?
. 5	THE CHAIRMAN: I think he answered that
6	just a few moments ago.
7	MS. MARLATT: Well, his answer wasn't in
8	accordance with my understanding of the situation.
9	THE CHAIRMAN: Maybe it wasn't, but that
10	was his answer nonetheless. I mean if you want to
11	pursue it by suggesting something else to him, that's
12	proper cross-examination. But I don't think a general
13	question can be asked.
14	MS. MARLATT: Q. Mr. McCormick, then in
15	your study with Whitesand First Nation, it did not
16	include looking at the homelands of Gull Bay First
17	Nation and Rocky Bay First Nation?
18	MR. McCORMICK: A. Our interest was the
L9	area potentially affected by the project. It was our
20	understanding that the Whitesand homeland fully
21	encompassed, was far more extensive than that. We did
22	understand other Aboriginal peoples, members of other
23	bands may also use that area, and again, it was our
2.4	intent and our interest and our expectation that we'll

still be collecting such information at some time in

1	the future.
2	[10:25 a.m.]
3	Q. So it's not your position then that
4	you have that information right now?
5	A. The information that we are
6	collecting, as Ms. Quinn indicated, was more than one
7	would normally use in an environmental assessment. It
8	is a very extensive analysis, it's a diary-type system
9	of who fishes where, when. Everything is quantified
10	such that you have an accurate base line upon which one
11	can then after the fact determine what changes may have
12	occurred as a result of the project and being able to
13	identify down to individuals who would be affected and
14	to what degree they would be affected.
15	So it is just in a very extensive base
16	line.
17	MS. QUINN: A. I think there is a
18	general distinction that can be drawn here.
19	In the early part of the study community
20	inventories were prepared and for a generation they
21 .	included Armstrong, Gull River Reserve, Collins, Ogden
22	and other rail line communities, and a number of these
23	have a large Aboriginal component, and for the
24	transmission part of the study they were the First
25	Nations around Lake Nipigon, Lake Helen Reserve, Rocky

- 1 Bay Reserve, people in McDermott, Beardmore, Jellico, 2 Red Rock Township and Orient Bay. 3 A large part of this population is Aboriginal, and in the document that's provided with 4 Interrogatory 6.10.3, which is the Little Jackfish 5 6 "Socio-Economic Impact Assessment, Community Inventories" you will find all of these communities 7 8 described. 9 These inventories were prepared through a process that involved verification with people in those 10 11 communities. 12 Now, what we are talking about with the first -- with the Whitesand Band is a later step in the 13 14 process. After you have described your existing area, 15 your study area, and you have discussed affects and possible impacts you then begin to focus on what the 16 17 significant ones are, and through the process of the 18 Little Jackfish environmental assess we learned that certain communities would be more affect than others. 19 The Whitesand Band is one that has a large stake in 20
 - So we then move into more detailed work that would relate to impact management activities, and that's why we have a particular study underway with the Whitesand Band. There may be other studies with others

changes that could occur.

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- 1 in the area. Usually these studies are negotiated at a 2 time close to when a project could become approved. 3 Q. Ms. Quinn, but my question is much 4 more specific than that. When we have had this discussion about co-planning -- and you have referred 5 to attempts at co-planning around the Little Jackfish 6 7 In fact, I believe you considered that to be 8 your first attempt at co-planning? 9 Yes, we actually asked if we could do 10 that for skills inventory. 11 O. All right. But as it stands right 12 now the only example you have of co-planning in the Little Jackfish area is your study with Whitesand First 13 14 Nation: correct? 15 A. Yes. 16 Q. Thank you. 17 THE CHAIRMAN: Perhaps we should make 18
- 19 MS. QUINN: Yes. It's a document called 20 "Little Jackfish River Hydroelectric Project, Community Inventories", and it's part of the socio-economic 21 22 impact assessment, and it is report No. CSPH 88002. 23 you like, I can give you the reference to the Whitesand 24 Band.

this 6.10.3; is that right?

25

THE CHAIRMAN: Just a moment. Perhaps we

1 should give that one a number then. 2 THE REGISTRAR: 367.105, Mr. Chairman. 3 ---EXHIBIT NO. 367.105: Interrogatory No. 6.10.3. 4 THE CHAIRMAN: Sorry, Ms. Quinn. Go 5 ahead. 6 MS. QUINN: I am just looking for the 7 Whitesand Band agreement, and I can give you the number 8 of the interrogatory that that's attached to. It will take me a while to go through my binders. If you like, 9 10 I can do that after the break. 11 THE CHAIRMAN: Fine. 12 MS. MARLATT: Q. All right, Ms. Quinn. .13 Then I would like to turn to page 31, which is page 15597 of the transcript. Starting with line 13 you 14 15 state: 16 "...there has been an agreement 17 signed between First Nations and the 18 provincial government, and the provincial 19 government has established a set of 20 circumstances where First Nations want to 21 deal directly with" - and a second 22 "with" - "government on a government to 23 government basis and Ontario Hydro will 24 report to the Government.

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"Question: There is a possibility,

1	presumably, that the same thing may apply
2	to Patten Post, isn't there?
3	"Answer: Yes.
4	"Question: No proceeding without a
5	co-planning?
6	"Answer: That may be."
7	Ms. Quinn, can you give me any more
8	definitive answer than, "That may be"? What I am
9	looking for is whether or not the process of suspension
10	followed by co-planning used in the Moose River Basin
11	would also be applied to Patten Post?
12	MS. HARVIE: I'm sorry, Mr. Chairman.
13	The answer is clearly right in the transcript, as Ms.
14	Marlatt has read out.
15	MS. MARLATT: I guess I would like a
16	definition, a bit more information on what that may be.
17	THE CHAIRMAN: If you have any more.
18	MS. QUINN: Yes, I can help a little. In
19	Volume 88, page
20	THE CHAIRMAN: Volume what? I'm sorry.
21	MS. QUINN: 88.
22	THE CHAIRMAN: That's Exhibit 88, is it?
23	MS. QUINN: I'm sorry. Yes, it's no,
24	it's not. It's the transcript No. 88.
25 .	THE CHAIRMAN: Oh, all right. Thank you.

1	MS. QUINN: Page 15562, line 15, and Mr.
2	Flook and I had been asked questions specifically about
3	Patten Post, and we spoke to the point that this is a
4	project that Ontario Hydro was directed to pursue
5	through an Order in Council, which is quite a different
6	status than one we initiate under our own steam.
7	And so, in this regard we have gone back
8	to government to seek further direction. It's not as
9	though it is a project that is equivalent to one that
10	we decide on and we pursue.
11	The circumstances are different, and
12	that's why my answer was somewhat tentative by saying
13	"it may be". We don't know the outcome. We are
14	awaiting direction from government.
15	MS. MARLATT: Q. Ms. Quinn, just so I
16	understand this exclusionary factor as it applies to
17	the Moose River Basin, if we took the government
18	direction issue away from Patten Post would it be the
19	same type of process that would be used?
20	MS. QUINN: A. I have no idea. As we
21	said in our testimony, the decision for the Moose River
22	Basin was made at a senior level. There may well be
23	other factors that would come into play, and I honestly
24	don't know the answer to that.
25	O. And there is no one on this Baral who

Q. And there is no one on this Panel who

1	can answer those questions as to whether or not Ontario
2	Hydro has developed in fact an exclusionary factor with
3	regards to First Nations developments?
4	A. Well, we know we have only developed
5	it with regards at this point in time to the Moose
6	River Basin. That's been our testimony.
7	Q. So your exclusionary factor in fact
8	only directs itself at one type of development, one
9	area of the province. It is not a screening factor
10	that can used for the rest of the province?
11	A. That's correct.
12	Q. All rìght. Thank you, Ms. Quinn.
13	Turning to page 32, Interrogatory No. 6.40.25.
14	THE REGISTRAR: That will be No. 106, Mr.
15	Chairman.
16	<u>EXHIBIT NO. 367.106</u> : Interrogatory No. 6.40.25.
17	MS. MARLATT: Q. Ontario Hydro is
18	discussing the importance of traditional indigenous
19	heritage sites, and in the answer, first paragraph,
20	half-way down:
21	Ontario Hydro is proposing to work
22	with potentially affected First Nations
23	to develop a methodology to identify and
24	protect sacred sites, places of power,
25	and special sites of Native cultural

1		heritage. Examples of past efforts are
2		described in the Little Jackfish
3		environmental assessment.
4		For the Little Jackfish project area
5		burial sites have been identified through
6		the assistance of the Whitesand First
7		Nation and family members. Ontario Hydro
8		is aware that some sacred sites are
9		present in the project area. The process
1.0		by which potential effects will be
11		identified and mitigation measures
12		determined will be developed in
13		partnership with the affected First
14		Nations.
15		Priority will be given to avoidance
16		and protection of the sites. As
.7		appropriate, purification ceremonies or
.8		other special measures will be taken.
.9		Ms. Quinn, just so I can clarify it in my
20	mind the term	"traditional indigenous heritage sites",
1	would that als	so include areas used for medicinal
2	purposes such	as collecting plants and herbs used in
13	indigenous med	licine?
4		MR. McCORMICK: A. When this was written
5	I don't believ	re our consultant who is our heritage

- l specialist had that in mind.
- Q. From the last paragraph of this
- 3 interrogatory can we assume that Ontario Hydro accepts
- 4 identified traditional indigenous heritage sites in
- Ontario to be exclusionary factors in determining the
- 6 attainable potential for hydraulic power? Ms. Quinn?
- 7 MS. QUINN: A. I don't believe we would
- 8 consider that an exclusionary criteria. Within the
- 9 "Little Jackfish Hydroelectric Project Socio-Economic
- 10 Impact Assessment", which is attached to Interrogatory
- 11 6.2.4 and is Report CSPH 88001, there is an appendix,
- and it is Appendix I, and it sets out a process for
- what to do if a burial site is found:
- 14 This process was developed in
- 15 consultation with people in specifically the Whitesand
- Band, but there would be others also involved, and it
- 17 talks about what could be done in terms of relocating
- 18 graves or avoiding them.
- 19 [10:35 a.m.]
- 20 And so it doesn't become a factor that is
- 21 taken to the point of being considered a criterion.
- Q. And is that because, Ms. Quinn, in
- Ontario Hydro's concept of these traditional indigenous
- heritage sites if they are affected can be mitigated?
- A. We would certainly try to mitigate

1	them. Our definition of impact management, as you
2	know, includes seven or eight activities, mitigation-
3	just being the reduction of the negative.
4	So we would consider other ways of
5	providing some offsetting activity that might be seen
6	as fair by the local people affected.
7	. Q. Do you acknowledge, Ms. Quinn, that
8	there are certain traditional indigenous heritage sites
9	that can be not be mitigated and must be avoided?
10	A. I can imagine that within a
11	site-specific study that sort of circumstance could
12	arise.
13	Q. All right. Looking at the sentence
14	where the answer states: Priority will be given to
15	avoidance and protection of sites.
16	Ms. Quinn, the term "priority" to me is
17	unclear here. Priority over what?
18	A. Over having to perhaps relocate
19	sites.
20	Q. So priority will be given to
21	avoidance and protection of sites over attempts to
22	mitigate impacts?
23	A. No, over attempts to relocate.
24	Q. Well, is not relocation a method of
25	mitigation in your mind?

1	A. Yes, but mitigation is a broader
2	notion than the specific task of just relocation.
3	Q. Precisely. So you are not referring
4	to a broader definition, you are referring to a very
5	specific instead of relocating you will attempt to
6	avoid and protect sites; correct?
7 ·	A. That's fair.
8	Q. Thank you.
9	Ms. Quinn, does Hydro commit on a policy
10	basis to respecting navigation routes used by First
11	Nations in pursuit of their traditional lifestyles?
12	A. On a policy basis, no.
13	Q. Thank you. Does Hydro commit on a
14	policy level to respecting the importance of fishing to
15	the culture and economies of First Nations?
16	A. Ontario Hydro doesn't have a policy
17	at all. We only have corporate guidelines. So any
18	references that you make to policy would be
19	inappropriate.
20	Q. Mr. Harris, I have some questions for
21	you, turning to page 36, on mercury. Before we look at
22	that page I am wondering if we can turn up yesterday's
23	Volume 89, page 15713, lines 22 to 25. I believe this
24	is your answer, Mr. Harris:
25	"I hope, as I am sure you do, that we

1	work towards a strong predictive
2	capability in the near future, but I just
3	can't give a date as to when that might
4	happen."
5	Mr. Harris, do you recall that?
6	MR. HARRIS: A. I'm sorry, I just
7	received the volume, I am just looking for it.
8	Q. Line 22.
9	A. What page was that, sorry?
10	Q. Page 15713.
11	A. Yes, I see the comment.
12	Q. Thank you.
1.3	Mr. Harris, in reviewing the transcript
L 4	it appears to me that your answer, that you were
15	working towards a strong predictive capability, refers
16	to your ability to predict mercury levels in
L7	reservoirs' ability to return to preflooding values; is
18	that accurate?
19	A. The predictive capability would be in
20	terms of the increase in fish and the duration of
21	elevated fish mercury levels.
22	Q. All right. So, Mr. Harris, then
23	it's your evidence that right now Ontario Hydro does
24	not have a strong predictive capability for determining
25	mercury levels in fish and the duration of mercury

Basu Roy, Snelson, Flook, ·15833 Wigle, Quinn, McCormick, Harris (cr Marlatt)

contamination in a reservoir that you may create?

A. I think in terms of using a model, a mathematical model, that's a true statement. But I think that the models are used as one tool in the assessment of the issue, and that there are some other methods which are used to consider mercury, and we can gain some insights at least into the trends if not the absolute values; in other words, projects which have no flooding whatsoever we would expect mercury not to be a significant issue probably.

So, I think despite the lack of a strong predictive capability in a modelling sense, we do have enough understanding of how mercury moves through reservoirs and into fish to gain some sense of the issue.

Q. Mr. Harris, I am not looking to whether or not you have a sense of the issue. I am looking to whether or not it is your professional opinion that as of today Ontario Hydro has a strong predictive capability in dealing with reservoirs such as the area of Little Jackfish, 2,000 hectares, or Patten Post, 4,000 hectares, to determine how much mercury will enter fish in the area and how long it will stay there; is that your evidence?

A. In cases such as those with some

1	flooding, I would say our predictive capability is not
2	strong right now.
3	Q. All right. Thank you, Mr. Harris.
4	Then back to page 36 of Exhibit 411, I
5	would like to refer you to the second paragraph and I
6	believe we are talking about hazards relating to
7	hydraulic developments.
8	"Another hazard is the potential for
9	poisoning and related health disorders
10	caused by a diet consisting mainly of
11	fish with elevated levels of
12	methylmercury. In addition, there may be
13	lifestyle effects for certain individuals
14	or groups who rely on fish for
15	subsistence or recreational purposes,
16	particularly Aboriginal populations in
17	the north."
18	Mr. Harris, is it
19	DR. CONNELL: Excuse me, could I know the
20	source of this, please?
21`	THE CHAIRMAN: Am I right, it's Exhibit
22	333?
23	MS. MARLATT: Yes.
24	Dr. Connell, if you can look back to page
25	33, I have the front page for that document.

1	MR. HARRIS: Ontario Hydro is the author,
2	it's not marked on that page.
3	DR. CONNELL: Thank you. And the date,
4	'91?
5	MS. MARLATT: That's correct.
6	DR. CONNELL: Thank you.
7	MS. MARLATT: Q. Mr. Harris, it appears
8	to be your evidence that one reason why mercury levels
9	are not considered to be an exclusionary criterion is
10	that inhabitants of an area may practice selectivity
1	in their fishing to avoid mercury poisoning; is that
.2	correct?
.3	MR. HARRIS: A. The selectivity issue of
. 4	which species and what sizes of fish are being consumed
.5	is a factor, yes, at the site-specific level.
.6	Q. I would like to refer to page 39,
.7	which is interrogatory 6.10.76.
.8	THE REGISTRAR: Which is 107.
.9	THE CHAIRMAN: Thank you.
20	<u>EXHIBIT NO. 367.107</u> : Interrogatory No. 6.10.76.
21	MS. MARLATT: Q. And in the second
22	sentence, first paragraph, we see in relation to fish
	mercury levels:
24	"Health risks can be minimized by
25	selection of species in which

1	bioaccumulation is not a problem and
2	younger fish which exhibit lower mercury
3	levels. This fact applies to existing
4	conditions.
5	No studies have been conducted on the
6	effects of a size selective harvest.
7	This determination would be based on a .
8	number of factors which cannot be
9	assessed at this time. If selection
10	consumption is a preferred course of
11	action by subsistence users, this study
12	and measures to mitigate any resulting
13	affects can be addressed through proposed
14	post-operational monitoring studies."
15	Mr. Harris, with regards to this answer,
16	it appears to be Hydro's position that no
17	determinations can be made at this time because you
18	haven't done this type of study; it's appropriate for a
19	site-specific environmental assessment; is that
20	correct, Mr. Harris?
21	MR. HARRIS: A. I think the merits of
22	using selectivity need to be addressed at the
23	site-specific level.
24	Q. So it's your understanding there
25	would be no general understanding of whether or not

1	Aboriginal populations considers selectivity to be an
2	acceptable alternative at a planning level?
3	A. I personally can't comment on the
4	Aboriginal perspective on that. I don't know whether
5	some of my colleagues can or not.
6	Q. Well, I will direct some questions
7	towards them in a moment.
8	Page 40, in your evidence, during
9	cross-examination on page 15198, Volume 86, line 2, you
10	stated:
11	"I think it would be appropriate to
12	consider what other species can be eaten,
13	what size of fish can be eaten, and if a
14	project were to be proposed in an area,
15	what alternative locations might be
16	considered."
17	Stopping there, Mr. Harris. Do you mean
18	alternative locations for fishing?
19	A. Yes, I do.
20	Q. "In other words, there are several
21	options to pursue in terms of minimizing
22	the uptake of contaminated fish by
23	people, so that fish are not a complete
24	indicator on their own."
25	Next I would like to refer to you page

1	41, which is a discussion of Little Jackfish
2.	environmental assessment. The second paragraph, second
3	sentence, starts:
4	"Studies concluded that restrictions in
5	walleye and northern pike consumption
6	would be required in the new reservoir.
7	Selectively in both size and species
8	would be necessary for those who wish to
9	consume fish from the reservoir."
10	THE CHAIRMAN: Just in terms of the
11	record, you are referring to Interrogatory 6.6.5.
12	MS. MARLATT: That's correct.
13	THE REGISTRAR: That will be 108, Mr.
14	Chairman.
15	EXHIBIT NO. 367.108: Interrogatory No. 6.6.5.
16	MS. MARLATT: Q. Mr. Harris, once
L7	mercury has entered the system in a reservoir, it's
18	your evidence that the mitigation methods to be used to
19	protect the humans in the area from mercury
20	contamination would be selectivity in the size and
21	species and perhaps in the location of where they fish;
22	is that correct?
23	MR. HARRIS: A. Those are two of the
!4	factors, two of the mitigative options. There are
15	others which have been mentioned in the direct evidence

٦			mark 2 to 2 to	222
1	and	ın	Exhibit	333.

2	Q. Well, Mr. Harris, are there any other
3	factors that you could list once a reservoir has been
4	created, once mercury exists in the reservoir to
5	protect human users from mercury contamination?
6	A. Yes, there are. If I can just have a
7	moment.
8	Q. Could you please list them for me.
9	Thank you.
.0	A. I believe in the direct evidence I
.1	mentioned the following: That monitoring, for example,
.2	is an important aspect of mitigation in terms of
.3	identifying mercury levels in fish posting warnings if

identifying mercury levels in fish; posting warnings if some fish have elevated mercury levels is an option; identifying fish species with lower mercury levels which is part of the selectivity issue; identifying other areas with fish which may have lower mercury levels; the possibility of providing access to some areas which may not be presently accessible in terms of new areas to fish which might have fish with lower mercury levels, and monitoring the mercury levels in humans as well.

[10:50 a.m.]

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So I think these are all, these are all considerations.

1	Q. Mr. Harris, all of those
2	considerations all affect the human users of the fish
3	in a reservoir, do they not?
4	A. Yes, they do.
5	Q. They are all directed at controlling
6	the human users of fish in a reservoir.
7	A. I wouldn't quite say controlling the
8	human users, I would say they are directed towards
9	guiding the consumption of fish by these users.
10	Q. Mr. Harris, First Nations who fish in
11	a river, according to your testimony, may have to
12	restrict their fishing both in the size and type of
13	fish that they would be allowed to catch and consume
14	and not be exposed to mercury contamination. So one
15	impact from mercury contamination that comes out of
16	reservoirs and flooding may be the restriction on the
1.7	Aboriginal right to fish. Would you agree with me, Mr.
18	Harris?
19	A. I think it's a very case-by-case
20,	specific question, but it's possible that
21	recommendations would be made for Aboriginals to be
22	selective about which fish they eat, yes.
23	In terms of affecting Aboriginal rights,
24	I don't know whether you're moving into a legal area in
25	terms of what their actual rights are in a legal sense,

1	and I can't	comment or	that particular	question, if
2	that's what	you were 1	eading towards.	

Q. No, Mr. Harris, that's wasn't what I was heading towards. I just wanted to know whether or not I was covering the mitigation methods you were referring to, which is selectivity in size and species and location of fishing in a reservoir.

MR. McCORMICK: A. I think one thing that we could add here, and I make specific reference to Interrogatory 6.6.63, all mitigation opportunities that are available to us, the intent is to develop and select those in co-operation with the Aboriginal peoples. This isn't some sort of imposed arrangements here. There may well be ways that would be acceptable to them.

I think one has to look at the degree of use of a reservoir, the size of the homeland, the number of people involved, and really this is an element of co-planning. In other words, one works with them to find what the best solutions are. If in fact there are no acceptable solutions, maybe that is a case where the project should not proceed.

MS. QUINN: A. I think there is another factor, if I can add, and that is mitigation is something you really do in response to an effect or an

1	impact. We know from some of our studies that some
2	species of fish, for example in the Little Jackfish
3	area, it may be the white fish that are more
4	predominant in the subsistence diet, and white fish are
5	not necessarily a species that is affected to the same
6	extent as some of the others.
7	We also know that some of the lakes are
8	not lakes where Aboriginal people choose to fish. So
9	what we want to really emphasize is that there is a lot
10	of site-specific information to take into account, and
11	mitigation is something you do as a result of a
12	predicted effect. And if there is no affect, if there
13	is not going to be a negative impact, you don't need to
14	do mitigation.
15	Q. Well, Ms. Quinn, let's talk about
16	areas where there will be a predicted impact, where you
17	know an area is within a traditional homeland of a
18	First Nation, where you know that the stated position
19	of that First Nation is that it is their Aboriginal
20	right to fish in the area.
21	In that case are you not telling them
22	that in order to avoid mercury contamination, assuming
23	it exists in their reservoir, they must restrict their
24	fishing habits?

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A. Well, the homeland is a much larger

1	area than what you refer to as reservoir. For example
2	the studies we're doing with the Whitesand First Nation
3	is to look at what their patterns are within their
4	homeland. And we're looking at study areas that relate
5	to fishing, study areas that relate to trapping, that
6	relate to hunting and relate to berry picking. And
7	each of those will have study areas, and the level of
8	usage within each study area will be quite different.
9	So you can't assume that a reservoir is equivalent to a
10	homeland in terms of size and impact.
11	Q. Ms. Quinn, are you saying then that a
12	reservoir that is located within a homeland that you
13	know is used for fishing, is not something that you
14	could look at on a planning level?
15	A. Yes, I would agree to that, but not
16	your earlier statement.
17	Q. Okay, thank you, Ms. Quinn. From a
18	social impacts perspective on a planning level, do you
19	consider that the principle of selectivity in fish
20	consumption is generally an acceptable alternative to
21	mercury poisoning to provide to Aboriginal peoples?
22	MR. McCORMICK: A. I think all that
23	we've said is that selectivity is one option that we
24	would like to explore with the Aboriginal peoples
25	affected. There are other options, and the whole

1	effort is to do it on a co-operative level and decide
2	what is best for a given Aboriginal group.
3	Q. Then, Mr. McCormick, in your sense of
4	a co-operative effort, does that include the First
5	Nations saying to you, "You're going to poison our
6	reservoir, we cannot continue to fish in the same way
7	that we are right now, because you tell us that if we
8	do, we will run into problems with mercury
9	contamination"?
10	A. That is a possibility.
11	Q. That is a possibility. If it occurs,
12	what is Hydro's policy on that?
13	A. We don't have a formal policy on
14	that. We'll deal with the specific circumstances and
15	why that belief holds true and what the level of
16	understanding is, what opportunities have been explored
17	to minimize the amount of flooding, to minimize the
18	amount of mercury released and the effects on fish.
19	If the predominant species of fish is not
20	going to take up mercury, for example, to a significant
21	degree, then the concern may be based on other factors.
22	We'll try through information and negotiation,
23	discussion to see if there isn't some means of reaching
24	a positive agreement for all parties involved.

If on the other hand, again, it would be

1	their major food source, then there is no option but to
2	practice selectivity, or in fact there is no option
3	even there, then perhaps that project shouldn't
4	proceed.
5	Q. Perhaps the project shouldn't
6	proceed, Mr. McCormick, but perhaps that could also be
7	used as a planning principle that if that situation
8	occurs, it is Hydro's policy not to ask the Aboriginal
9	people in the area to use selectivity in size and
.0	species, if they reject that as an acceptable
.1	alternative to them.
.2	THE CHAIRMAN: That question is largely
.3	argumentative. I think he's told you what the position
. 4	of Ontario Hydro is on the question.
.5	MS. MARLATT: All right, thank you.
.6	Q. Ms. Quinn, on page 44, lines 11 to
.7	14, I believe you're referring to studies within the
.8	Moose River Basin area, and you responded to Mr.
.9	Castrilli's question saying:
20 -	"We have asked to do studies with
21	groups, in particular groups that are
	your clients, and we have been refused.
!3	We have asked at project and at plan
14	stage assessments."
25	Ms. Quinn, I'd like to ask you a more

	natits (Cr Mariatt)
1	general question here. In your opinion why would a
2	First Nation not respond to a request for information
3	by Hydro?
4	MS. QUINN: A. Well, I think I discussed
5	that yesterday with Mr. Colborne. There are many
6	different reasons that Aboriginal communities can have,
7	and our particular process, the environmental
8	assessment process is an analytical one, and there may
9	be times when that just doesn't suit their purposes.
10	Q. All right, Ms. Quinn, one of the
11	reasons that they may not want to participate in either
12	studies with Hydro or in providing information to Hydro
13	may be as a result of their distrust of Hydro's
14	policies and promises in the past, is that correct, Ms.
15	Quinn?
16	A. It may be. I believe in my direct
17	evidence that I also explained some of the features of
18	the co-planning of studies, an agreement related to the
19	co-planning of studies, and we do not require, and this
20	is explicit, that there be agreement on the outcome of
21	the studies. We do not require that they agree on
22	whether or not an environmental assessment should
23	proceed. There is still a lot of leeway that the First

Nations would have if they chose to participate in

studies. So I hear what you say, I also add other

24

- 1 reasons to the list. 2 All right, Ms. Quinn, in looking at 3 the term co-planning, in my mind that has the 4 implication of a partnership, work done by two equal 5 partners. Is that what you're talking about, Ms. 6 Ouinn? 7 We have to acknowledge again the statement of political relationships, and the equality 8 9 is really between the First Nations and the 1.0 governments. We report to government. So yes, there is certainly co-operative feature about it all, but to 11 12 be precise, the equivalency is more between the 13 provincial government and the First Nations. 14 0. And your aim, Ms. Quinn, in 15 co-planning, would be to arrive at a mutually 16 acceptable result, is that correct? 17 In the co-planning of studies? 18 Q. Yes. 19 A. The doing of studies? 20 Q. Yes. 21 I've explicitly said that we would be Α. 22 involved in doing of the studies, but there is always 23 the opportunity for the First Nations to disagree with 24 the results.
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Q. All right. Let's say, Ms. Quinn, we

1 reach that stage. You've co-operatively done studies, First Nation disagrees with the results. What will you 2 do with that information now? 3 4 A. It would all depend on the study and the nature of the disagreement. 5 6 Q. Is it possible that you would use 7 that information at a hearing to gain approval for a 8 project? 9 A. Yes, it is, and I think we would have to be very sensitive to why we would do that, but yes, 10 11 that possibility does exist. 12 Q. All right, thank you. 13 Looking at page 46, Ms. Quinn, line 13, 14 you state: 15 "I am not an expert in Aboriginal 16 affairs as the people would be who work 17 within this ministry." 18 I believe you were referring to the Ontario Native Affairs Directorate. 19 20 Α. That's correct. 21 Ms. Quinn, how long have you worked 22 for Ontario Hydro? 23 A. It's around 13 years. 24 Q. How long have you worked with First

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Nations?

1 A. Our first involvement with First 2 Nations was in 19 -- well, in 1981 we started the 3 Onakawana project, and at that time -- I'm not a 4 project planner, but at that time members of the group 5 that I worked with were involved in meetings in 6 Moosonee, Moose Factory, and we had a liaison 7 committee. So I would say at least ten years. 8 And I know during the period of about 9 1983 we went through review with representatives of 10 provincial organizations, including the Union of 11 Ontario Indians, to look at how Ontario Hydro consulted 12 with various parties around the province, and the 13 research committee within that particular study 14 included a Mr. Roy from the Union of Ontario Indians. 15 So we have had some extensive involvement in the past. 16 0. Ms. Quinn, I'm looking actually at 17 your involvement. Would you characterize your 18 involvement with First Nations as extensive prior to 19 the last year? 20 As I say, I'm not a project planner. 21 My experience isn't extensive, and I, just to speak to 22 that point, one of the reasons why we want to do studies with First Nations is because we believe they 23 24 have the expertise. 25 Q. All right, Ms. Quinn. Do you speak

- Harris (cr Marlatt) 1 any Aboriginal languages? 2 MS. HARVIE: Mr. Chairman, I object. This is ridiculous. I mean this witness is not 3 4 qualified as an expert in Aboriginal affairs. 5 clearly stated on the record that she is not, and this 6 is just badgering the witness unfairly. 7 MS. MARLATT: Mr. Chairman, I think that 8 since Ontario Hydro has only provided us with one witness that we can ask questions on with regards to 9 10 Aboriginal impacts... 11 THE CHAIRMAN: I thought there were 12 several witnesses had been answering questions about 13 Aboriginal impacts. 14 MS. MARLATT: Then perhaps there is no 15 problem with directing these questions at any of them. I think I have the latitude to see --16 17 THE CHAIRMAN: What difference does it 18 make to you? Why are you asking this question? I just 19 don't quite understand. 20
 - MS. MARLATT: I would like to determine whether or not there is anyone from this panel who has expertise in Aboriginal affairs and speaking on Aboriginal impacts, and one of the ways that my clients might ascertain that is whether or not they speak an Aboriginal language, whether or not they have

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1 Aboriginal ancestry or whether they have lived on a 2 reserve. 3 Short of that, it might be my client's 4 position that none of these people should be speaking 5 to Aboriginal impacts. 6 MS. HARVIE: Mr. Chairman, none of these 7 witnesses have been qualified as specific experts in 8 Aboriginal affairs. 9 MS. MARLATT: All right. Well then 10 that's fine, if I can take that as the evidence of the 11 panel. 12 Q. Ms. Quinn, then, would you consider 13 an elder to be an expert on Aboriginal impacts? Or 14 let's make that even broader, to be an expert on First 15 Nations? 16 MS. QUINN: A. I would expect an elder 17 to be an expert on the activities of the First Nation 18 that he or she were involved with. 19 [11:05 a.m.] 20 Q. Would you defer to an elder if his or 21 her opinion differed from yours on an issue related to 22 impacts arising out of hydraulic developments? 23 THE CHAIRMAN: That question is so 24 hypothetical. I mean, it's impossible to answer it. I

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would suspect it's sometimes "yes" and sometimes "no".

1	MS. MARLATT: Q. Well, let's look at a
2	specific issue. Say the health impacts from a
3	hydraulic development on a First Nation?
4	MS. QUINN: A. I'm sorry, what is your
5	question?
6	Q. The health impacts on a First Nation
7	from a hydraulic development, if an elder studied the
8	health impacts and came forward to you and said, "This
9	is what I perceive the health impacts to be on the
10	First Nation of which I am an elder," would you defer
11	to his or her opinion on that matter?
12	A. I would be very respectful of him,
13	but I am not in a position to take a strong position
14	one way or the other. I am not an expert in evaluating
15	what another person's expertise is when it comes to
16	health.
17	Q. Ms. Quinn, you have spoken about the
18	priorities of communities, and I refer you to
19	yesterday's Volume, 89, page 15733, line 17, where you
20	say:
21	"all we are really trying to say
22	is that we wanted to be sensitive to the
23	decision-making processes that are being
24	developed and also to the priorities of
25	the people involved."

1	Ms. Quinn, would you agree that a
2	community may have its own economic plans for the
3	future and those plans may conflict with Ontario
4	Hydro's plans for the area?
5	A. Yes, that is true, possibly.
6	Q. I would like to move into the area of
7	monitoring and mitigation.
8	Mr. Harris, do you agree that monitoring
9	methods are not mitigation methods by themselves?
.0	MR. HARRIS: A. I think they're a
.1	component of one mitigative approach.
. 2	Q. But when you monitor the effects on a
.3	reservoir just that information by itself does not
. 4	constitute a mitigation effect; there has to be
.5	something beyond that data. Correct?
.6	A. That is true.
.7	Q. Thank you. One of the purposes of
.8	monitoring may to be check for negative effects that
.9	have not been predicted; is that correct, Mr. Harris?
20	A. Usually monitoring is directed
21	towards looking for a certain effect, but it's possible
!2	that monitoring might turn up an unexpected effect,
	yes.
24	Q. Thank you, Mr. Harris. Mr. Harris,
!5	does Hydro consider reducing the planned capacities of

1	a facility to be a mitigation method? And I will give
2	you my example. Would you consider using a
3	run-of-the-river operation rather than a peaking
4	operation as a mitigation method? This may not be an
5	appropriate answer for
6	A. I think perhaps one of my colleagues
7	might address that.
8	MR. McCORMICK: A. This is typically an
9	alternative method of carrying out the undertaking and
.0	would be considered at that point in the process,
.1	earlier in the process than mitigation.
. 2	Q. All right. Mr. Harris, monitoring of
.3	sedimentation rates, mercury levels or navigation
. 4	hazards are not in themselves mitigation methods, are
.5	they?
.6	MR. HARRIS: A. Strictly the monitoring
.7	activity, no. As I said, I think it is a component of
.8	the mitigative option.
.9	Q. Thank you. Unacceptable mercury
20	levels cannot be mitigated once they exist short of
!1	restricting human users in a system; correct?
!2	A. I think there is an area of research
!3	on-going in terms of reducing mercury levels in fish in
4	existing reservoirs, and so I think the answer to that
15	would be there are mitigative options available or at

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1	least being considered in a research sense even if the
2	mercury levels rise in fish.
3	Q. But with the state of knowledge that
4	we have right now today do you have any mitigation
5	methods other than restricting human users of a system
6	once you have mercury contamination?
7	A. There are methods, as I said, being
8	considered. I don't think there is a definitive
9	statement on their effectiveness yet.
10	For example, actually it has been
11	considered that since a lot of the methylmercury in a
12	reservoir may actually be in fish, in Finland efforts
13	have been made to look at the possibility of removing
14	methylmercury simply by fishing the reservoir at an
15	elevated rate but one which still allows the population
16	to be sustained, that is just an example of one
17	possibility.
18	Q. All right, Mr. Harris. I am aware
19	that it is your testimony that there are other
20	possibilities. Is there anything in place today that
21	Ontario Hydro recognizes as a proper mitigation method
22	that has been proven today?
23	A. No, not proven.
24	Q. I would like to ask a few questions

on compensation, referring to page 70, Interrogatory

1 No. 6.2.96. 2 THE REGISTRAR: That will be 109. 3 ---EXHIBIT NO. 367.109: Interrogatory No. 6.2.96. 4 MS. MARLATT: Q. The third paragraph in 5 discussing the corporate policy on compensation states 6 that: 7 The policy was initially developed 8 without Aboriginal or public input. The 9 policy was developed after working 10 extensively with communities and changing 11 social conditions in Ontario. 12 First I would like to ask, who on the 13 Panel is best qualified to deal with the questions of 14 compensation? Ms. Quinn, would that be you? 15 MS. QUINN: A. Well, I can start and 16 others may join in. 17 Q. Ms. Quinn, has the situation changed 18 where the policy has now been considered with 19 Aboriginal input? 20 A. Well, the policy was developed in 21 1983. We have been applying it because it is very 22 general in nature to projects and I should say to communities where there are Aboriginal and 23

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non-Aboriginal people, and it has still stood up to

provide enough leeway to meet their needs.

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1	Q. So it is a trial-by-fire method?
2	A. What is a trial-by-fire method?
3	Q. Well, you implement a policy in 1983,
4	you are now using that policy, and you just wait and
5	see whether or not it is adequate for a local
6	community's concerns; is that correct?
7	A. We are applying the policy, yes.
8	Q. So you have not directly taken this
9	policy out into the Aboriginal communities separate
10	from your project work and said, this is what our
11	policy says, this is how we go about implementing it,
12	what do you think?
13	A. We may well have done that beyond a
14	project level. I am just thinking of some discussions
15	we might have had with political organizations or other
16	Aboriginal groups where we would have discussed the
17	policy in general terms.
18	Q. Can you give me an undertaking, then,
19	to describe to me when this has happened?
2.0	A. I guess what I am saying is I am
21	trying to think of it now.
22	I haven't been at all the meetings
23	myself, and I know that when the vice-presidents have
24	met with groups sometimes a variety of questions are
25	asked of Ontario Hydro. So I believe it would be very

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1	difficult fo	or me to	give you any specific dates so I	

- give you any specific dates, so I 2
- can't give you have a definitive response.
- 3 But I believe that this has been subject
- to discussion with various members of the Aboriginal 4
- community at various times. It might even have been 5
- 6 informally.
- 7 We have an Aboriginal and Northern
- Affairs Sub-committee of our board of directors, and 8
- 9 they meet with members of the Aboriginal community. It
- may have been something that they have discussed. 10
- 11 But I don't think that I can go around
- 12 the Corporation and get a list of all the times when
- this particular policy has been discussed with 13
- Aboriginal people above and beyond project work. 14
- 15 Q. Well, Ms. Quinn, are you saying then
- that on a planning level the corporate policy on 16
- 17 compensation has never been formally discussed with
- 18 First Nations?
- 19 No, I'm not saying that.
- 20 Well, Ms. Quinn, why could you not
- 21 give me an answer as to whether or not formally it has
- 22 ever been discussed?
- 23 THE CHAIRMAN: What do you mean by
- 24 "formally"?
- 25 MS. QUINN: Yes.

1	MS. MARLATT: Q. I mean in a documented
2	fashion where questions were asked and answers were
3	documented and if issues were raised that there were
4	deficiencies in the process whether or not those
5	deficiencies have been dealt with, just as they did
6	with the demand/supply option study.
7	MS. QUINN: A. This is a corporate
8	policy. It's not a plan.
9	Q. I understand that, Ms. Quinn.
10	A. It's quite a different mechanism
11	within a corporation and its management tools.
12	When it was developed we had already been
13	working, as I mentioned earlier, with representatives
14	of provincial-level organizations on consultation, and,
15	as I mentioned, there was a member from the Union of
16	Ontario Indians who was involved in particular groups
17	that did extra work on that process.
18	This policy was being developed around
19	the same time. I believe it would have been discussed
20	then, but I won't be able to find you the documentation
21	you are referring to.
22	Q. So you can't tell me that this policy
23 .	specifically was shown to and discussed with a member
24	of the Union of Ontario Indians that you have referred
25	to?

1	MR. McCORMICK: A. I think there is
2	something I might add here. I am not sure of meetings
3	that have taken place, but I am aware that this policy
4	is described in the Little Jackfish environmental
5	assessment, the Mattagami environmental assessment.
6	People have had access to it. It has been subject
7	therefore to government reviews and public reviews.
8	Q. Then perhaps we can just close this
9	discussion by saying: Has the policy been changed
10	since 1983?
11	MS. QUINN: A. No.
12	MS. MARLATT: Thank you. I believe those
13	are all my questions, Mr. Chairman.
14	THE CHAIRMAN: Thank you, Ms. Marlatt.
15	Mr. Allison, you are next. Are you all
16	organized or would you like to take a break?
17	MR. ALLISON: I can proceed. I should
18	think I would be between an hour or two.
19	THE CHAIRMAN: Why don't we take a break
20	at the normal time, at 11:30?
21	MR. ALLISON: That is fine.
22	CROSS-EXAMINATION BY MR. ALLISON:
23	Q. Panel, it had been my intention to at
24	the outset determine a little bit
25	THE CHAIRMAN: Perhaps we should have on

1 record who it is you are representing. 2 MR. ALLISON: Of course. My name is Brad 3 Allison. I am here as counsel for the Ontario Metis 4 and Aboriginal Association. The Association is 5 intervening on behalf of a number of off-reserve 6 Aboriginal communities across the Province of Ontario. 7 Q. I had intended to canvass, panel, 8 some of your expertise so that I might know how to 9 direct questions as it relates to Aboriginal matters, 10 and that may be a sensitive issue, I sense. 11 Nonetheless, I wonder, Ms. Quinn, is it 12 fair to say in your dealings with Aboriginal people 13 that there are at times what I might call cross-cultural issues? 14 15 MS. QUINN: A. Can you give me a little 16 help by explaining what you mean by that? 17 Sure. In dealing with the Aboriginal 0. people has it been your experience that you are dealing 18 19 with people from a different cultural background? 20 Α. Yes. 21 0. And does that in itself create at 22 times some communication problems? 23 A. Yes, and sometimes some benefits too, 24 but yes. 25 O. I will refer to those sorts of

1	problems	as	cross-cultural	problems.

2	Am I fair to say that you personally o	of
3	not have particular experience in cross-cultural iss	sues
4	as a study, as a formal field of study?	я

A. That's right.

Q. But am I right that you would have some experience in communicating between two different cultures?

A. Well, I have some. I am a section head, and there are 16 people in the group, and the project planners are the ones that are more actively involved in dealing with the various people involved with our studies.

[11:20 a.m.]

I have some experience but I have to qualify its limitations.

Q. All right. Well, I would like to be sure in terms of this panel. Are there other members of the panel that have any experience in that field that I may not know about? Any volunteers?

Ms. Quinn, I think I am probably the sixth lawyer on this panel to ask questions of you with respect to matters affecting Aboriginal people, and in many volumes of testimony in chief and in cross, I see that it is been necessary for you to refer to terms

1	such as First Nations, Aboriginal people, native
2	people. Do you have a working definition of the
3	difference between those or are they interchangeable?
4	A. No, they are not interchangeable for
5	me.
6	Q. I am curious to know your working
7	definition or distinction, I suppose, between First
8	Nations and Aboriginal people?
9	A. First Nations for me is a reference
10	really to a group that constitutes a government. These
11	are groups that were once called bands. They are
12	recognized under the Indian Act, the federal
13	government, and they are now the party with whom the
14	provincial government has entered into the statement of
15	political relationships, and often First Nations, but
16	not always, have land bases that are referred to as
17	reserves.
18	Q. And Aboriginals?
19	A. Aboriginal is, for me, a much broader
20	term, and I understand at one point in time Aboriginal
21	people might have used also the word "native", and they
22	might have also used the phrase "indigenous people",
23	and that it can include people who are status/
24	non-status within the Indian cultures. It can also

include the people from an Inuit background.

I actually believe that it extends a
little beyond that, but I am more often concentrating
on Aboriginal as people with some Indian ancestry.
Q. When you say "some", in terms of your
working definition, I would like to ask you about
Metis. How does that fit into your framework?
A. Yes, Metis are within the broad
phrase of Aboriginal.
Q. All right. But I take it from what
you have told me, and I would like you to correct me if
I am wrong, that the Metis then would be a part of this
larger group called Aboriginal people but not a part of
the sub-group known as the First Nations?
A. Yes, that's how I understand it.
Q. All right. And the First Nations
peoples would be a complete sub-group of the Aboriginal
people? All First Nations people are Aboriginal
people; is that fair?
A. Yes.
Q. Now, I would to know in which
category, in your thinking, in the answers that you
have given before this Board, would you put a person
who is known, was known as a status Indian living off
of reserve?

A. Well, they certainly would be an

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- 1 Aboriginal person.
- Q. Do they also fall in the First
- 3 Nations definition that you have used?
- 4 A. I think if they are living off the
- 5 reserve it's their choice.
- Q. Then, yes?
- 7 A. They may consider themselves a member
- 8 of their First Nation or they may consider themselves,
- 9 as I understand it, a member of, for example, your
- organization which would represent the people also
- living off reserves.
- Q. So I just want to make sure we are
- talking the same language when we are using those
- 14 terms. So when you refer to First Nations peoples,
- that may encompass some off-reserve peoples; am I
- 16 right?
- 17 A. Yes. And I appreciate these are
- distinctions that are evolving. I am just trying to
- 19 stay in touch with those people who are more informed
- -20 and are actually drawing these distinctions, but as I
- 21 understand it, that's correct.
- Q. All right. In your evidence in
- chief, Ms. Quinn, you referred to a relationship
- 24 between Hydro and local communities, and to be fair to
- you, I will tell, it's in Volume 82, it's at page

1	14627.
2	Do you have it?
3	A. Not quite yet. There we go.
4	Q. I am just looking to find you a line
5	reference. You have an answer beginning at line 10 and
6	the last sentence of it at line 19 says that:
7	"This relationship between the project
8	proponent and local communities may be
9	characterized as a partnership."
10	Right?
11	A. Right. That's relating specifically
12	to impact management.
13	Q. Yes. Now, does that characterization
14	of the relationship apply vis-a-vis native communities
15	specifically, Aboriginal communities?
16	A. Yes, and that would include both
17	people associated with First Nations or people who are
18	Aboriginal not associated with First Nations.
19	Q. Would it be fair to say that this is
20	a relationship that the proponent, Hydro, has not been
21	successful in securing with all Aboriginal communities?
22	A. That's fair. But I would say this
23	particular reference is really how we would like to
24	work in the process of impact management of a

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particular activity.

1	Q. I am more interested in the
2	relationship as it is, or as it was at the time that
3	the DSP was filed.
4	You would be familiar with the nature of
5	relationships between Aboriginal communities and Hydro
6	as of that point?
7	A. I would have some understanding of
8	it. I don't think that Ontario Hydro had extensive
9	working relationships with Aboriginal communities prior
10	to that time.
11	Q. This is an evolving process, is it?
12	A. Yes, it is.
13	Q. These are relationships that are
14	developing?
15	A. Yes, that's fair.
16	Q. And for the purposes of my questions,
17	I am interested in knowing the state of affairs up to
18	the time that the DSP was filed and less, for my
19	questions, interested in what may happen next year.
20	All right?
21	Now, up until the DSP was completed were
22	there any partnership relationships between - as you
23	have characterized it - between the proponent and
24	Aboriginal communities?
25	A. The Demand/Supply Plan was filed in

7	December	of	1080
1	December	OT	TAOA

2	0	That's	correct.

A. We were in the process of negotiating
with the Whitesand First Nation, the specific study
that has been referred to earlier, and that was signed,
I believe, in the spring of 1990. So, we were involved
in that.

And since the phrase "partnership" here is really used to describe the particular impact management activity, Little Jackfish was the only project where we had really reached that stage at that point in time. I would just double check with my colleagues on that, but I don't believe that work on other projects had advanced to the stage of impact management at that time.

Q. And my understanding is that there are more than a hundred off-reserve Aboriginal communities in Ontario. Does that surprise you? Does that seem correct to your understanding?

A. I am aware there are more than that.

Q. At least a hundred, put it that way.

A. Yes.

Q. Would it be fair to say that a partnership relationship up to the point at which the DSP was completed and filed would not have been

- 1 established with the majority of those communities; is 2 that fair?
- 3 That's fair, but again, this is all Α. 4 within the context of one particular activity within 5 environmental assessment project level work. So, I 6 wouldn't expect the notion of partnership to be the one 7 that others would use to describe the relationship in 8 all of the other activities Ontario Hydro would be 9 involved in with Aboriginal people.
- 10 Q. All right. But my understanding is 11 that your word is "partnership", your choice of term is 12 "partnership" is in this context; is that fair?
 - For that particular activity, yes. Α.
- 14 Why in this context then did you use 0. 15 "partnership"?

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could be located.

- Α. Because impact management includes a range of activities referred to in my direct evidence and referred to recently by Mr. McCormick and Mr. Harris and it involves looking at affects and impacts and jointly deciding the significance of those and what 21 can be done to minimize, to provide offsetting benefits, to basically try and make the project fit more readily into the particular community where it
 - My background, of course, is 0.

1	different from yours in a formal sense, and when one
2	uses the term "partnership" my mind thinks of some
3	fairly common traits, and I suspect that they don't
4	fall within your thinking when you utilize the term
5	"partnership". For example, any relationship with
6	Hydro that you have seen with an Aboriginal community
7	is not a partnership in the sense that there is some
8	equal sharing of responsibilities and profits; is that
9	fair?
0	A. That's fair.
1	Q. And in your experience with Hydro any
2	partnership relationships with Aboriginal communities
.3	are not a partnership in the sense that there is a
4	consentual sharing of decision-making; is that fair?
.5	A. I would have thought that that would
.6	be true within the context of impact management, but
.7	beyond that I can't
.8	Q. Beyond that can you think of any
.9	other examples?
0	A. Well, there may be activities that
1	region's branch undertakes where that's the case.
2	I know that when we were doing our
!3	planning we try to conduct ourselves in that way, but I
! 4	don't have examples from across the corporation to
.5	speak to your point.

1	Q. In your context do you mean
2	partnership to imply that there is an equal right on
3	the shoulders of each partner to terminate the
4	relationship?
5	A. Within the impact management
6	agreements, the formal agreements that we sign, yes,
7	that is set out.
8	Q. And those are agreements, I take it
9	that have not ever been signed as yet; am I right?
.0	A. They have been on projects but not
.1	projects affecting Aboriginal people.
.2	Q. Now, I would like to focus, if I
.3	might, for a few moments
. 4	THE CHAIRMAN: Perhaps this would be a
.5	good time to take the break.
.6	MR. ALLISON: Yes, certainly.
.7	THE CHAIRMAN: Thank you, Mr. Allison.
.8	We will take a break for 15 minutes.
.9	THE REGISTRAR: This hearing will take a
0	15 minute recess.
1	Recess at 11:34 a.m.
2	On resuming at 11:52 a.m.
13	THE REGISTRAR: Please come to order.
4	This hearing is again in session. Please be seated.
:5	THE CHAIRMAN: Mr. Allison?

1	MR. ALLISON: Thank you, Mr. Chairman.
2	Q. Ms. Quinn, to recapitulate very
3	quickly, my understanding from what I've learned so far
4	is that there is an ongoing development in the
5	relationship between Aboriginal communities and Hydro,
6	is that correct?
7	MS. QUINN: A. Yes, that's fair.
8	Q. Most of it being developed after the
9	DSP was prepared and filed?
10	A. Our corporate Aboriginal relations
11	guidelines were adopted, yes, in 1990. They were being
12	developed during that time when the DSP was filed, but
13	they wouldn't have been adopted until after that time.
14	Q. I did not ask you this yet, but would
15	it be fair to say that the approach Hydro is now taking
16	is continuing to change and is moving toward a
17	partnership relationship with communities directly
18	affected by specific development? Would it be fair to
19	characterize the development, the change in the
20	relationship that way?
21	A. Well, we're certainly trying to work
22	with communities in a way where they participate more
23	in the doing of studies, and even if they don't
24	participate in those particular studies during the
25	particular activity of impact management, it does

1	really require that parties sit down at the same table
2	and discuss how they would like to see affects dealt
3	with. So in that realm it's true.
4	Q. Okay.
5	A. I should just remind you that at the
6	time when Ontario Hydro was seeking public input on the
7	demand/supply option study, that Aboriginal groups were
8	invited to participate.
9	Q. Yes, I'll ask you about that.
10	A. Okay.
11	Q. You've told me somewhat the direction
12	in which the changes are headed. Can you tell me a
13	little bit about where they've come from? In other
14	words, what was the approach of Hydro at the time that
15	the DSP was being prepared and planned, up until it was
16	filed?
17	A. Well, we had worked with I
18	apologize for the repetition of all of this, but we had
19	worked with representatives of provincial
20	organizations, including in a particular case, it was a
21	person from Union of Ontario Indians, on a study to do
22	with how Ontario Hydro's consultation programs worked,
23	the extent to which people's expectations were met and
24	so on. So in that, that was in 1983.

I mentioned earlier in 1981, in the

Onakawana project we worked specifically with First

Nations, and the first time Little Jackfish was started

was 1981, and we were working with Aboriginal people

and First Nations during that time.

I would say that we began to realize that Ontario Hydro in about -- I guess it was about 1984-85, that the whole corporation needed to become better co-ordinated, need to bring more attention to certain initiatives that couldn't just be launched through one project, and I'm thinking employment opportunities, for example, training, in that sense.

So we put together a committee of vice-presidents, and they really are the vice-presidents with responsibilities that affect Aboriginal people as customers, as employees, as business people and as project people, and affected by projects then as governments as well. And we developed what was called an Aboriginal relation steering committee.

That committee commissioned some studies, two of which had to do with the public consultation and how, from an outside perspective Ontario Hydro's track recorded been over time with regards to Aboriginal communities, and that was looking at the full range of corporate activities, not just specific projects. So

1	we were trying to inform ourselves of what the history
2	had been and how we should change things.
3	So that committee is now in place still,
4	and they are the ones that worked out the corporate
5	Aboriginal relations guidelines that were adopted in
6	1990.
7	Q. When did the Aboriginal relations
8	steering committee come into being?
9	A. When was it formed?
10	Q. Yes.
11	A. It would ave been in 1989, and it may
12	with well have been in the summer of 1989 or the fall.
13	Q. Now Ontario Hydro has a new
14	vice-president that deals in part with Aboriginal
15	affairs, is that right?
16	A. Yes, northern Aboriginal affairs.
17	Q. And that was a position created in
18	1991?
19	A. Yes. It was just effective in
20	September.
21	Q. You mentioned a vice-presidential
22	subcommittee.
23	A. Yes, this is this Aboriginal
24	relations steering committee.
25	Q. I'm sorry. Is that different from

1	the collection of vice-presidents that you mentioned?
2	A. No.
3	Q. That is the same committee?
4	A. That is the collection of
5	vice-presidents, but we also have a subcommittee of the
6	board of directors.
7	Q. What's that called?
8	A. Northern and Aboriginal affairs
9	subcommittee of the board of directors.
10	Q. Northern and Aboriginal affairs
11	A. Subcommittee.
12	Qsubcommittee
13	A. Of the board of directors.
14	Q. When did that come into existence?
15	A. I believe that was in I think it
16	was announced in September of this year.
17	Q. Now
18	A. Approximately.
19	Q. That's fine. Can you help me as to
20	how Hydro would deal with the concerns of a specific
21	Aboriginal community, perhaps with respect to a
22	specific project, let's say, before these various
23	installations, before the vice-president, before the
24	steering committee, before the subcommittee? How did
25	you deal with it then? Where did you come from is what

1	Т	'm	as	kin	a

2	A. Hydro might have learned about a
3	particular interest of an Aboriginal community through
4	a variety of sources. It might have been something
5	that was mentioned to people who are community
6	relations officers, who work in regions branch, they
7	might have been mentioned to people who work in
8	particular stations, they might have been mentioned
9	through a letter to the president, it could have been
10	through one of our projects.

Just about anybody within the corporation who is out in the field might have heard of something, although it's quite likely that only certain people working on activities that would have brought them in close proximity with Aboriginal communities would have been the most likely people to hear about it. For example we have a group that deals with remote electrification. They may have heard.

Q. So I take it that the lines of communication were more formalized in the last couple of years, is that fair?

A. Yes. You see, any of these groups

I've referred to might fall under different

vice-presidents.

Q. And I take it that part of the Farr & Associates Reporting, Inc.

1	rationale for formalizing the process was to improve
2	the process?
3	A. Yes.
4	Q. Is that fair?
5	A. To provide more co-ordination.
6	Q. Is it fair for me to infer from that
7	prior to 1990 your relationship and communication
8	wasn't so hot?
9	A. Well, I wouldn't necessarily know.
10	It may well have been that when a particular concern
11	was brought to the attention of someone in region's
12	branch, that region's branch dealt with it quite
13	adequately. All we know is that concerns started to
14	come in that required more co-ordination and more
15	senior level attention.
16	Q. Well, I'd like to look, take you back
17	to the beginning of your evidence in chief. In fact I
18	think you were given the dubious honour of the first
19	question for the panel on Panel 6. I don't think you
20	need to refer to it in the transcript, but essentially
21	you were asked by my friend, Ms. Harvie, to describe.
22	the planning processes that led up to the DSP.
23	Your response generally, you talked about
24	the fact that the early '80s there was an initiative by
25	Hydro to undertake an extensive planning exercise.

1	That from '84 to '87 it led to the demand/supply option
2	study, and from that, that resulted in the development
3	of the draft demand/supply planning strategy in
4	December of '87, and of course we move along from there
5	ultimately to the DSP, which is filed December of '89.
6	Do you recall that general pile of evidence?
7	A. Yes.
8	Q. You went on to describe, in response
9	to questions given you, the public input that was
10	underway throughout the course of what appears to be
11	principally the 1980s. Do you recall that?
12	A. Yes. Are you thinking of the options
13	study and the strategy?
14	Q. Yes, you were asked questions about
15	that specifically. Part of my understanding of your
16	evidence is that Hydro was looking for a broad public
17	input, is that fair?
18	A. Yes, that's fair.
19	Q. As a result, Hydro saw fit to provide
20	several opportunities for public input, correct?
21	A. Yes.
22	
23	Q. Some were to the public and some were otherwise?
•	
24	A. Yes. There was a provincial level

25

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program and a regional level program, and there was

			,
1	also consulta	tion	with members of local utilities and
2	our direct cu	stom	ers.
3		Q.	At the provincial level, my
4	understanding	of :	your evidence is that there were more
5	than 100 prov	inci	al level groups invited to
6	participate.		
7		A.	Yes, that's right.
8		Q.	And some of those, I take it, would
9	have been Abo	rigi	nal?
LO		Α.	I believe there were nine that were
11	Aboriginal.		
12		Q.	Do you have any idea as to how many
13	of them were	off-	reserve Aboriginal groups?
.4		A.	I am sorry, how many were?
15		Q.	How many were off-reserve Aboriginal
16	groups as oppo	osed	to First Nations?
17		Α.	They weren't First Nations. They
18	were at a more	e pro	ovincial level, all of them. That was
.9	the nature of	the	program.
20		Q.	And nine were invited, is that your
?1	recollection?		
22		Α.	Yes, nine various groups.
23		Q.	Do you know what response if any you
24	got?		
25		A.	I know that three groups in the end

1	did attend some meetings, and I think we expected from
2	the response that a fourth would attend, but they
3	didn't.
4	Q. Further I think your evidence was
5	that some 35 different briefs were prepared and
6	submitted?
7	A. Yes.
8	Q. Do you recall how many of those would
9	have been from off-reserve Aboriginal community groups?
10	A. None.
11	Q. Further there was opportunity for
12	involvement at a regional level, is that correct?
13	A. Yes.
14	Q. And my understanding of that was that
15	Hydro initiated communication with certain community
16	leaders and invited them to organize or convene
17	meetings in their region, is that the idea?
18	A. Yes.
19	Q. Did that include initiative by Hydro
20	communicated to leaders of Aboriginal communities?
21	A. No, Hydro wouldn't have taken the
22	initiative.
23	Q. It would not have invited them to
24	have done that?
25	A. It would have been the community

1	leaders that would have been doing the inviting. The
2	identification and invitation process was really their
3	responsibility.
4	Q. Okay, but would they have gotten the
5	idea or the push, as it were, from Hydro?
6	A. We certainly asked them to think
7	about who it was in the community they thought would be
8	interested in long-term electricity planning, and we do
9	know that some people approached were not interested in
LO	the topic, so we don't know how many people each
11	community lead would have had to have ask before they
12	were able to have commitments to attend.
13	Q. Did Hydro make that request of
14	Aboriginal community leaders?
L5	A. No, the locations were geographical
1.6	in nature, or they were chosen from a geographical
17	basis, I should say, but the people who could attend
18	would have been from communities or interests within
.9.	the region.
20	Q. But I just want to make sure I
21	understand this. My perception of it is that Hydro
22	suggested to various community leaders that they
!3	convene meetings, right?
24	A. Yes.
25	O. And my question is did that

1	suggestion go out from Hydro to any Aboriginal
2	community leaders?
3	A. That they convene meetings?
4	Q. Yes.
5	A. No, not that they convene the meeting
6	per se.
7	Q. Was there a separate process for
8	input from Aboriginal communities, or were they grouped
9	together with the public forum, as you've described it?
10	A. No, they were included in the
11	invitations along with others. There wasn't a separate
12	process.
13	We do know that in Atikokan there was
14	attendance from someone from the Native Friendship
15	Centre. I believe that represents an off-reserve
16	group.
17	Q. Is it fair for me to conclude that
18	the public input process that led up to the DSP met
19	with limited input from off-reserve Aboriginal people?
20	A. I think that Aboriginal people in
21	general, both on and off-reserve, did not really
22	respond to the opportunities to any great extent.
23	We do know that the Select Committee on
24	Energy also had days when they heard from members of
25	the public, and I believe that at the draft

1	demand/supply planning stage that OMAA did make a
2	submission to them, and that Select Committee sat with
3	regards to the option study and the strategy. So that
4	isn't something that Ontario Hydro would have had
5	responsibility for, but the opportunities were also
6	provided there.
7	Q. Can you tell this Board where the
8	Select Committee would have sat?
9	A. Would have sat?
LO	Q. Yes. Different locations?
11	A. My recollection is that they really
12	stayed in Toronto. Can I just check with Mr. Snelson?
13	Q. Certainly.
L 4	MR. SNELSON: A. I believe they held
1:5	their hearings in Queen's Park, yes.
16	Q. So the gist of it that I get is that
L7	there is an effort made, an initiative by Hydro to
18	receive public input. It's not segregated between
L9	non-Aboriginal input and Aboriginal input, but it's
20	public input, and the different efforts are made to
21	initiate meetings, to call together people and inform
22	them, is that the idea?
23	MS. QUINN: A. Yes.
24	Q. And to receive from them their
25	comments and reactions, is that right?

1	A. That's fair.
2	Q. All of that met with some but a
3	limited amount of response from the off-reserve
4	Aboriginal people?
5	A. Yes, that's fair.
6	Q. Now in fairness some of those
7	meetings would have been at Queen's Park, some of them
8	may have been local, regional meetings in various parts
9	of the province, is that fair?
.0	A. Yes, the regional meetings were
.1	throughout the province.
.2	Q. And I take it the whole purpose of
.3	this process was to get to some sense of the common
. 4	good of what the people of Ontario felt was in the best
.5	interests of the province as it related to Hydro's
.6	plans. Is that the idea?
.7	A. Yes, they were asked to speak to the
.8	kinds of planning considerations to do with the topic
.9	of supply, the topic of demand, and in general how
20	electricity service, or what the characteristics of
21	electricity service were that were important to them.
22	Q. My understanding from your evidence
23	in chief was that as a result of that, the findings of
24	Hydro were in you described them in five categories.

Briefly you categorize them as reliability, diversity

	Harris (Cr Allison)
1	and flexibility, rehabilitation, natural and social
2	environment and economic development. Have I got that
3	right?
4	A. May I just refer to my direct
5	evidence?
6	Q. Certainly. It's in Volume 82 at page
7	14479, if you wish.
8	A. I have my direct evidence in front of
9	me as opposed to the particular volume.
10	Q. All right.
11	A. Reliability, diversity, flexibility,
12	rehabilitation, natural and social environment and
13	economic development, is that the list you said?
14	Q. Yes, yes.
15	A. That was not all of the input, those
16	was just some that I thought were helpful for the Board
17	to hear about.
18	Q. These were categorizing evidence in
19	chief as findings that you felt ought to be brought to
20	the Board's attention, right?
21	A. Yes.
22	Q. Findings meaning that these were
23	things learned through the process of public input? Am
24	I right?
25	A. Yes, that's correct.

1	Q. I have a suspicion that you knew
2	about those five before the public process, I mean they
3	don't come as a great surprise, did they?
4	A. I don't know, to be honest. There
5	may have been some of these topics that we understood
6	to be important, but over time certain topics changed
7	in prominence.
8	Q. All right.
9	A. So there would have been some new
10	things certainly learned during all those activities.
11	Q. I can appreciate that the emphasis of
12	the public may not have been something Hydro could
13	determine, but my suspicion is that these are five
14	general areas of concern Hydro would have had in mind
15	when they went into the public forum, right?
16	A. Well, they may well have, but I can
17	say for one that it's been a bit of a surprise to hear
18	as much about reliability versus cost, for example.
19	And certainly there were a variety of other topics
20	beyond these five.
21	Q. Would they have been five topics
22	presented to the public for discussion purposes, or
23	would they have been articulated from the results
24	received after the public had gone home?
25	A. Articulated from the results

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1	received.
2	Q. Now I understand further in your
3	evidence in chief that hydraulic, you testified, was
4	preferred by many members of the public. Am I right?
5	A. Yes. That's particularly true during
6	the option stage.
7	Q. When you use the word preferred,
8	preferred over what?
9	A. Other options, the technology
.0	options.
11	Q. I get the feeling, and I understand
12	that they were preferred you suggested three
13	reasons. One was seeming abundance; second, low cost;
L 4	third, low environmental impact. Am I right?
L5	A. Yes.
1.6	Q. I'm wondering how they would have
17	known these things. See, I've got this perception that
18	the public may have come to discuss the issues of
19	hydroelectric generation and planning across the
20	province in various means, that they would have then
21	explained some of the options and perhaps given some of
22	the advantages and disadvantages of the options. Am I
23	right?

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were discussions about the various options. But the

A. Well, I think they certainly -- there

- l idea was to hear from the public what they had to say,
- 2 and we weren't trying to debate with them at that time.
- 3 [12:12 p.m.]
- Q. No, I hear you. I understand that
- 5 your mission is to determine what the public perceives
- 6 as good; am I right?
- 7 A. Yes, that's right.
- Q. And when they decide that hydraulic
- 9 is preferred over other options I assume that they have
- been told what the other options might be?
- 11 A. Well, they knew that there were
- 12 options that were fossil, or nuclear, or demand
- management, whatever else, that's right. They also
- 14 were interested in a wide range of options.
- Q. My suggestion to you is that they
- 16 would have perceived hydraulic as preferred for the
- 17 reasons you have given perhaps because the issues of
- 18 cost relative one source of power to another, the
- issues of environmental impact one source or another,
- 20 the issues of abundance one source or another would
- 21 have been matters of discussion within the public
- 22 forum; am I right?
- A. Yes, they would have been to some
- 24 extent.
- Q. You see my problem? I am not sure

1	how the public would come to the forum and know that
2	hydraulic was preferred for cost unless they were told
3	something with about what it cost.
4	A. I think, as Mr. Snelson said the
5	other day, that the people there observed that the
6	costs associated with hydroelectric power are
7	predominantly capital, that there is less to do, less
8	cost in the operating stage. That's not something that
9	takes an extensive presentation to come to understand.
10	Q. But that would have been clear from
11	the presentation they were given, I take it; is that
12	fair?
13	A. Mr. Snelson was more involved in some
14	of these meetings than I and might be able to give you
15	a better reading of how the discussion actually went.
16	MR. SNELSON: A. At the regional
17	meetings there was a very brief general presentation of
18	the discussion, and there was fuller documentation that
19	was available to people, most likely after the meeting
20	rather than before the meeting. It was available
21	before if they wanted it.
22	The presentations were because they
23	were going to cover all of the options that this

presentation, then there was very little opportunity to

hearing is looking at in about a 15- or 20-minute

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1	convey much in the way of detail in terms of
2	information. So it was a very general presentation.
3	It was generally given by the Regional Director of the
4	region involved.
5	Q. Regional Director of what?
6	A. Of the region involved.
7	Q. Was that a Hydro employee?
8	A. That was a Hydro employee, yes.
9	Q. That brief presentation would, though
10	brief, have dealt with the issues of costs generally?
11	A. I can't recall whether it got into
12	details of cost.
13	Q. Would you recall whether or not it
13	Q. Would you recall whether or not it would have dealt with the issues of environmental
14	would have dealt with the issues of environmental
14	would have dealt with the issues of environmental impact, one power source over another?
14 15 16	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general
14 15 16 17	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general statements, but I do believe that having heard a lot of
14 15 16 17	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general statements, but I do believe that having heard a lot of the discussion that people were not overly influenced
14 15 16 17 18	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general statements, but I do believe that having heard a lot of the discussion that people were not overly influenced by the presentation that was made. In some of the
14 15 16 17 18 19	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general statements, but I do believe that having heard a lot of the discussion that people were not overly influenced by the presentation that was made. In some of the meetings there were very free-ranging discussions, and
14 15 16 17 18 19 20 21	would have dealt with the issues of environmental impact, one power source over another? A. There may have been some general statements, but I do believe that having heard a lot of the discussion that people were not overly influenced by the presentation that was made. In some of the meetings there were very free-ranging discussions, and a lot of people had ideas to bring to the meetings.

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is some record of what their position is at the end of

the meeting; have I got it right?

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THE CHAIRMAN: You are making an

assumption that the people who come to the meeting

don't know anything about the subject, which may be an

unwarranted assumption.

6 MR. ALLISON: I suppose that's a part of my question, Mr. Chairman.

Q. We don't know what information or what approach the public would have had at the outset of the input forum; am I right?

MR. SNELSON: A. This is with respect to the regional meetings, and the questions that were being asked were very general questions in terms of their preference for demand versus supply, demand management versus supply, and so on. They were looking at a very high, broad level type of discussion.

MS. QUINN: A. I think there is something we can learn though, and that is that not everybody is interested in the topic of long-term electricity planning. Those people who came probably would have had an interest for a particular reason, so I can't imagine that they knew nothing of the topic.

Q. But my point in response to the Chairman's comment is that we don't really know where they started from; we know what their position was at

1	the end of the forum as you have been able to gather.
2	Am I right?
3	A. Yes. And in my evidence I go on to
4	say that perceptions changed. I think a few lines
5	and I unfortunately am not working from the specific
6	volume. I go on to say:
7	However, recognition of the remaining
8	limited economic potential grew as did
9	caution about flooding, environmental
10	impact, and disturbance to tourism and
11	recreational interests.
12	So we are really trying to let you know
13	that we heard initially a set of perceptions and then
14	those perceptions seemed to changed.
15	Q. All right. Mr. Snelson, part of your
16	evidence was in chief that Hydro has given a high
17	priority to the orderly development of the remaining
18	rivers; am I right?
19	MR. SNELSON: A. Yes.
20	Q. And I think, if you wish the
21	reference, to be fair to you, at page 14486 you went on
22	to indicate that Hydro must recognize at line 22?
23	A. I have just got the volume.
24	Q. 14486.
25	A. Yes?

Roy, Snelson, Flook,	15894
le,Quinn,McCormick,	

Q. Line 22. I believe in response to a 1 2 question given you, you went on to say that we, Hydro, 3 also have to recognize that the concerns of other users 4 of the river systems have to be taken into account; 5 right? 6 That is correct. A. 7 0. Now, part of the problem with 8 hydroelectric development, as I understand it, is that sometimes the competing uses for the river are not 9 10 compatible; is that fair? 11 That may be the case. I think that 12 others could speak to the specifics of that. 13 Q. In terms of situations wherein the 14 competing uses are not compatible it becomes a little 15 more difficult to take those competing uses into 16 account; am I right? 17 I believe I have said elsewhere in my 18 direct evidence that we as planners recognize that because of local interests and local concerns regarding 19 20 the impact of the specific hydroelectric development 21 that there will be technical potential that will not be 22 developed because of those local concerns. 23 Q. Yes. In fact, if I can refer you to

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page 14491, this may be the evidence to which you are

referring now. At the top, line 1 on page 14491, you

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1	S	а	v	
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We do recognize that the preference
is not one that implies that we should
develop at any cost. There are other
factors...

and so on?

7 A. Yes.

Q. Is that what you had in mind?

A. I believe I expressed that general

idea more than once, and this is one occasion.

Q. Okay. My problem is that it seems to me that in some situations there has to be a trade-off, there either will be hydroelectric development and other uses of the river will be precluded or else there will not be hydroelectric development; am I right?

A. I do believe that our attempt - and Mr. McCormick could probably speak better to that - through the environmental assessment process and the choice of specific options and mitigation and so on is as far as possible to permit the other uses to continue, and through the environmental assessment process there may be some tradeoffs such as the one that you have discussed that have to be made.

Q. All right. I don't wish to take away from the suggestion of Hydro that competitive uses will

1 be considered and accommodated, but I just want to make sure I'm right on this, Mr. Snelson. Am I right that 2 in some circumstances those competing interests need to 3 4 be sacrificed if the project is going to go ahead? 5 There can be occasions on which some 6 aspects of other uses of river systems would be 7 significantly changed if the project was to go ahead. 8 And perhaps Mr. McCormick can speak more specifically 9 to that. 10 MR. McCORMICK: A. I guess this is very 11 much a site-specific consideration as to what uses we 12 are talking about and how one can go about protecting 13 them. 14 As Mr. Snelson has indicated, there are 15 several components of the environmental assessment 16 process where we try to consider the interests of those 17 using the basin or reservoir. Reservoir preparation 18 plan is one case in point where you try to determine 19 the existing uses of that area and how, what priorities 20 should be set for the various types of use of the 21 reservoir, and how you can design a reservoir in a way 22 that would accommodate as many of those uses as 23 possible or set some priorities.

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decision-making process where all the information can

But, you know, it is a planning and

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1 be brought to bear and appropriate decisions made. 2 Q. I think I understand what you are 3 saying, Mr. McCormick, but my question that I put to 4 Mr. Snelson and I will put to you: Am I right though that generally with hydroelectric development there are 5 6 situations and times in which some competing interests 7 must be sacrificed if a project is to go ahead? 8 A. It is conceivable that some could 9 occur. 10 Q. I take it, Mr. Snelson, when you 11 commented at 14491 that it would not be development at 12 any cost, that by 'cost' you were not referring to 13 dollar costs but to socio-environmental costs; am I 14 right? 15 MR. SNELSON: A. I believe I was using cost in the general sense that Mr. Kelsey made me 16 17 accept in Panel 3 cross-examination. I usually try to be more careful the use of the word cost. 18 19 Q. So it is wider than dollars? 20 Α. I believe so, yes. 21 This competing interest, this Q. 22 balancing of interests and to deal with the issue of 23 sacrifice requires, I take it, some estimation of what is in the best interests of Ontario; am I right? 24

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I believe for a specific project then

	Harris (cr Allison)
ı	this is the sort of matter that is dealt with through
2	the project environmental assessment process.
3	Q. And as a proponent involved in that
4	process am I right that Hydro has to contend with
5	perhaps the interests of a local community versus the
6	public good?
7	A. The environmental assessment
8	certainly has to address those issues.
9	Q. You also indicated, I think, Mr.
10	Snelson, a little further in your evidence that part of
11	the balancing was to bear in mind that future
12	generations I think these were your words: Future
13	generations could benefit from what we do now, just as
14	we benefit from past development.
15	Do you recall that idea?
16	A. Yes, I do.
17	Q. And I take it, read between the
18	lines, one sees that what that means is that there may
19	well be long-term gains that must be put in the scales
20	when balancing them against the short-term detriments
21	that may be attributed to a specific project; is that
22	fair?
23	A. Certainly, hydroelectric development
24	has long-term benefits. Whether it is a question of

balancing short-term versus long-term, I am thinking

1	very particular in that circumstances about certain
2	financial matters in that the initial financing of a
3	project is done by one generation where the project
4	tends to be quite high in costs and we are benefiting
5	financially from the previous financial investment of
6	other generations. But there may also be other aspects
7	to that.
8	Q. And those other aspects may be
9	short-term, they may be long-term; am I right?
10	A. Well, the issue of renewability of
11	the energy source is a very long-term consideration,
12	which is a contribution to our preference for
13	hydroelectric.
14 .	Q. But my question, Mr. Snelson, is
15	whether or not the balancing must include some aspects
16	of short-term as well as some that are long-term?
17	A. Well, clearly, the balance has to
18	take into account the effects over the full period of
19	time that you expect a project to be under construction
20	and in operation.
21	Q. Now, I am not sure who on the panel
22	would care to deal with this, but there has been some
23	evidence given and some questions asked with respect to
24	water rental rates, and I don't know if anyone on the
25	panel can tell me this but does the panel have any

1	handle on why Hydro pays water rates?
2	I mean, I assume they pay them because
3	they have to, but what's the philosophy behind imposing
4	a water rental rate? Does the panel know or is that
5	beyond the scope of this panel?
6	[12:25 p.m.]
7	MR. WIGLE: A. Maybe I could add
8	something to that.
9	Basically, water rentals are paid in
10	return for the rights to develop and operate hydraulic
11	sites, hydraulic stations, and that's a condition for
12	receiving the permission from the provincial
13	government.
14	Q. And they are paid to the provincial
15	government because the provincial government is the
16	origin of that right, I take it.
17	A. That's correct. We lease the land
18	from the provincial government.
19	Q. In terms of forecast with respect to
20	water rental rates, has there been any consideration
21	given to the prospect that perhaps there ought to be
22	water rental rates paid to Aboriginal users for their
23	rights?
24	A. I believe that would be a provincial
25	government decision, not Ontario Hydro.

1	Q. Has Hydro in its forecasting of costs
2	come to grips with that issue? Have you given that any
3	thought?
4 .	A. No.
5	Q. Mr. McCormick, in your evidence in
6	chief you gave us some outline of environmental
7	considerations, am I right?
8	MR. McCORMICK: A. Yes.
9	Q. And specifically you dealt with some
10	measures taken to limit environmental damage; right?
11	A. I outlined some of the mitigation
12	alternatives that were available, yes.
13	Q. Am I right that some environmental
14	damage, even though mitigated, is a necessary
15	consequence of hydroelectric development?
16	A. There will be some net environmental
17	effects.
18	Q. My sense of it is that in order to
19	assess the validity of the mitigating factors, one
20	needs to comes to grips with the severity of the
21	problem. Do you understand me?
22	A. Yes.
23	Q. So, for example, if one were to talk
24	about mercury poisoning, in order to assess the
25	validity of steps taken to reduce the risk of mercury

1	poisoning, I take it one has to bear in mind the
2	severity of the problem itself in terms of what mercury
3	poisoning means; does that sound fair?
4	A. I think there is a recognition of the
5	effects of mercury poisoning.
6	Q. What are they, generally? Mr.
7	Harris, what is mercury poisoning?
8	MR. HARRIS: A. Well, it's a
9	methylmercury in particular that gets into humans and
10	has the potential to cause effects on the central
11	nervous system.
12	Q. What sort of effects?
13	A. I think I described some of those in
14	the direct evidence, and I think I have also said I am
15	not a medical doctor, but it depends on the severity of
16	the exposure. They can involve, for example, effects
17	on tremors and mental focus, alertness, muscle tone, at
18	lower levels of exposure.
19	Q. At higher levels can it be fatal?
20	A. Yes, it can, depending on the
21	exposure. Severe and fatal cases haven't been
-22	associated with hydroelectric projects to my knowledge.
23	Q. Thus far?
24	A. Excuse me?
25	Q. Thus far?

1	A. That's correct, yes.
2	Q. And there are some effects, I take it
3	from your evidence in chief, with respect to expectant
4	mothers?
5	A. It's a possibility, yes. There is a
6	concern for children whose mothers were exposed to
7	methylmercury.
8	Q. What is the concern?
9	A. Well, for example, some of the
10	symptoms I mentioned before in terms of muscle tone,
11	there have been studies in Quebec which looked at
12	children whose mothers, while the mothers were
13	pregnant, were exposed to methylmercury, and there was
14	an association, a possible association made between the
15	muscle tone of the children and the exposure of the
16	mother.
17	Q. For these children the concern
18	relates to what might amount to permanent disabilities?
19	A. I think the permanence of the effect
20	is I think I would qualify it by saying at severe
21	exposures the effect can be permanent. At lower
22	exposures there are cases of where the effects appeared
2 3	and then disappeared. I think it is more of an area of
24	discussion at lower levels of exposure regarding the

permanence of the effect.

1	Q. Would you agree with me that the
2	problem of mercury poisoning is a long-term problem, if
3	it arises at all, it's a long-term problem?
4	A. Perhaps you could be more explicit in
5	terms of what you mean by the problem.
6	Q. Well, I am suggesting to you that if
7	mercury poisoning is a factor, and I recognize that you
8	and I may not agree on that, but assume for me that
9	hydroelectric developments are related to mercury
10	poisoning, and we are talking now about the uptake into
11	a human as opposed to as it may be in a fish, that once
12	that problem arises, that is not a temporal problem
13	that will pass away, but rather a problem that stays
14	with us to the next generation?
15	A. I would say that if as a result of
16	hydroelectric project mercury levels were to rise in
17	individuals, that it would depend on the severity of
18	the exposure for any given individual, how long their
19	problem might last, if it is in fact I am going on
20	the assumption that, as you say, there is a connection
21	and the methylmercury is associated with the
22	hydroelectric project.
23	I think there are options in terms of
24	looking at communities as a whole to take mitigative

actions once mercury levels may have been established,

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1	and to undertake, for example, educational programs to
2	ensure that or to make an effort such that down the
3	road mercury levels dropped, and in fact that has been
4	seen in Quebec.
5	Q. On page 14621 in your evidence in
6	chief, I will just read your statement, that was that
7	one can mitigate mercury by education and by changing
8	diet.
9	Is that what you are suggesting now?
10	A. I have the page, what line are you
11	looking at?
12	Q. Actually, beginning on page 14620,
13	it's a rather nasty, long sentence that begins at line
14	20 and it winds its way down, at line 24 it continues:
15	"such as the extent to which the
16	water bodies are used by people and
17	related mitigative options such as
18	monitoring, education, changing the
19	diet"
20	Is that what you are referring to?
21	A. I see the statement, perhaps you
22	could repeat the question connected to it.
23	Q. You indicated that it is difficult to
24	talk about the severity of the problem because one
25	might be able to mitigate it in part by education. Do

1 you understand you right?

A. I didn't say that it was necessarily
difficult to establish the severity of the problem. I
said that education is one mitigative option to help
deal with whatever extent the issue arises.

Q. I suppose the problem I have, Mr.

Harris, with the suggestion of education, first of all,
I should be clear that I understand what you mean. Are
you telling me that one way to mitigate it is to tell
people about the hazards of consuming in large quantity
fish that carry mercury?

A. Well, I think in terms of education I would suggest that it would encompass a few activities. If you were to monitor fish mercury levels you could educate people in that sense, what are the levels. You could educate people in terms the mercury issue and what the guidelines are and you could -- if you monitored the mercury levels in people themselves, you could educate the communities to the status of mercury levels in the communities. So I think there is a variety of activities that would go under education.

Q. But the gist of it, I take it, is that if you are going to mitigate the impact by educating, the goal is to tell people about the hazard in the hopes that they will stay away from the hazard;

			_	
1	am	Ι	right	?

- A. I would say that's reasonable.
- Q. And that then is related to the
- 4 change in diet to which you refer at the top of page
- 5 14621; am I right?
- A. Well, change in diet is one option
- 7 you might pursue.
- Q. But that kind of works hand in glove
- 9 with the education; doesn't it? The idea is to stay
- away from the fish and change the diet to something
- ll else?
- 12 A. Well, whether they changed there
- 13 diet, I guess it would depend on the particular case.
- 14 Whether there was a situation where changing your diet
- 15 was warranted, if so, then alerting them to that
- 16 possibility would be one practice.
- Q. I suppose my concern, Mr. Harris, is
- 18 this mitigative technique seems to be limited in its
- scope, or its role in a community where fishing and the
- 20 consumption of fish are major parts of the lifestyle of
- 21 that community. Do you see my point?
- MR. McCORMICK: A. You seem to be
- 23 working on the assumption that the sole source of a
- 24 given species might be affected. In fact, Aboriginal
- 25 peoples may be fishing in many locations and one of

1	which may be affected by a reservoir, they may be
2	taking a variety of fish, some of which will be
3	affected because of either species or size.
4	You have to really go back into the
5	specific circumstance, the specific site and what will
6	happen and then you can start making judgments as to
7	how important these factors are.
8	I think Mr. Harris mentioned about
9	dietary changes, it was meant in the sense that it may
10	not be that fish at that length from that location, but
11	it could be the same species from another location or
12	it could be a smaller fish from the same location.
13	Q. My difficulty with that answer is
14	that I am suggesting to you if there is a mercury
15	problem, that mitigating it by education and change in
16	diet may have a limited effect in certain communities.
17	The way I understand your answer is to say there may
18	not be a problem.
19	What I am suggesting to you is let's
20	assume that a major source of food and income is
21	affected. You have to come with me that far.
22	A. Yes.
23	Q. And given that assumption, the
24	prospect that we mitigate the damage by education and
25	change in diet has a limited scope.

1	A. I think we have said on a number of
2	occasions that if it is a major source of food, and
3	there are no options, then that's probably a
4	development that is not worthy of further pursuance.
5	I think you have got to look at the
6	specific circumstances and make these judgments with
7	all of the available information, including the level
8	use and the options available.
9	Again, we are proposing to do this in
10	co-operation with the peoples affected.
11	Q. Ms. Quinn, you had given some
12	evidence with respect to how one understands the social
13	environment. You outlined for the Board in your
14	evidence in chief, five steps, those being, scoping,
15	profiling, predicting, assessing or evaluating, and
16	recommending impact management.
17	Does that sound familiar?
18	MS. QUINN: A. Yes.
19	Q. I take it that's not the only way; am
20	I right?
21	A. No, there are other ways, but I had
22	in mind really of the local environment.
23	Q. All right. And in the context of
24	local environment that's not the only way, but that's
25	the way that Hydro has chosen; am I right?

1	A. It's the way that the social impact
2	assessment and environmental assessment in general has
3	developed. It's not just an Ontario Hydro approach.
4	Q. But can you help me as to within that
5	field of studies, it's the only approach. I won't tie
6	it to Hydro.
7	A. I honestly can't imagine what is
8	beyond it.
9	Q. So, it's the only approach that you
10	know; am I fair?
11	A. I can think of specific activities I
12	haven't referred to that would be encompassed by it
13	that may not come to your mind, but it's quite a well
14	accepted approach and
15	Q. I don't question that, Ms. Quinn, I
16	am just wondering whether or not it's exclusive.
17	A. No, it's not exclusive.
18	Q. All right. But it is the only
19	approach that Hydro adopted in the context of filing
20	the DSP, in the preparation of the DSP?
21	A. No, it actually refers to the
22	development of hydroelectric facilities.
23	Q. All right. And is it the only
24	approach that Hydro has utilized in that context to
25	date?

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Harris (c	er Allison)	

	A. As steps in the process, yes.
2	Q. Now, I take it it's been sometime
3	since there was a hydroelectric development in close
4	proximity to an Aboriginal community in Ontario; am I
5	right?
6	THE CHAIRMAN: You are talking a new
7	development, is that what you are mean?
8	MR. ALLISON: Yes.
9	THE CHAIRMAN: A new construction,
.0	because there are developments in close proximity.
.1	MR. ALLISON: Yes, I am talking about a
.2	new development.
.3	MS. QUINN: And when you say sometime you
4	are thinking
5	MR. ALLISON: Q. Well, maybe you can
6 .	help me. When was the last time we had a new
7	development in close proximity to an Aboriginal
8	community in Northern Ontario?
9	MS. QUINN: A. May I just consult with
0	some of the others on the panel?
1	Q. Sure.
2	[12:43 p.m.]
3	MR. FLOOK: A. It's a little bit of a
4	guessing game here because I have to make some
5	assumptions and move backwards.

1	Q. Go ahead.
2	A. I would consider the two sites, Wells
3	and Aubrey Falls on the Mississaugi River as being the
4	most recent in the 1970s.
5	Q. Early '70s?
6	A. Early '70s, yes.
7	Q. And they are on the Mississaugi
8	River?
9	A. That is correct.
10	Q. So they would be upstream from some
11	of the Aboriginal communities, Thessalon?
12	A. Well, Thessalon is not on the river
13	itself, the Mississaugi Reserve and the but the
14	Thessalon Reserve is in the vicinity.
15	Q. Iron Bridge?
16	A. Mississauga Band, yes.
17	Q. Yes. Iron Bridge is outside the
18	Mississaugi Band, though?
19	A. Correct.
20	Q. So we have a number of Aboriginal
21	downstream communities at that site, Wells and Rayner;
22	am I right?
23	A. There is one Aboriginal community
24	downstream; there are more than one in the vicinity.
25	Thessalon is not on that river system.

1	Q. Is Iron Bridge on that river?
2	A. Iron Bridge is on that river.
3	Q. Is there an Aboriginal community at
4	Iron Bridge?
5	A. Just downstream from Iron Bridge.
6	Q. You are referring to Mississaugi?
7	A. Yes.
8	Q. I am talking about an Aboriginal
9	off-reserve community, Iron Bridge. Is there one?
0	A. I couldn't tell you off hand.
1	Q. Take from me that there are a number
2	of Aboriginal communities that are downstream in the
3	Mississaugi River, downstream from Wells and Rayner,
4	and we will accept Mr. Flook's best guess which is that
5	Wells and Rayner may have been the last new
6	development, close proximity to Aboriginal communities.
7	All right, Ms. Quinn?
8	MS. QUINN: A. Yes, all right.
9	Q. Are these five steps what would have
0 .	been used back then?
1	A. No, because I don't believe an
2	environmental assessment would have been undertaken at
3	that time. It would have been early days in the
4	Environmental Assessment Act.
5	Q. And in those early days I take it

1 '	that input from those Aboriginal communities would have
2	been quite limited then because this process hadn't
3	evolved; is that fair?
4	A. I wouldn't really know. I don't have
5	any history on it.
6	Q. So when we talk about these five
7	steps as it relates to Aboriginal communities I should
8	be thinking about what will happen, not what has
9	happened; am I right?
LO	A. That's fair. And what happens at a
11	project-specific stage.
2	Q. Now, in your evidence, Ms. Quinn, you
.3	had indicated at Volume 82, 14627, I will just give you
4	statement and I will give you the line reference if you
.5	need it, but the relationship actually, I'm sorry, I
.6	had already referred you to that.
.7	A. We just have one copy that we are
.8	passing up and down. I'm sorry, it's 14627?
.9	
0	Q. Yes. I had referred you earlier to
1	your description of the relationship between the
2	proponent and the communities as a partnership; right?
	A. Yes, with regard to impact management
.3	activities. Yes.
4	Q. And then you went on from there to

describe eight steps of impact management; right?

1	A. Eight types of activities, not really
2	steps. They are various ways in which communities
3	might choose.
4	Q. And I take it that these again are
5	not exclusive and that there are only eight types?
6	A. Yes, that's fair. They evolve over
7	time.
8	Q. I'm sorry? I didn't hear you.
9	A. Yes, it is fair. There are eight and
0 .	they will continue to evolve.
1	Q. At present are there others not
2	encompassed in those eight?
3	A. Well, those are really the eight that
4	come to mind.
5	Q. So at the present time they are
6	exhaustive, they are the only eight?
7	A. Well, they characterize what we know
8	now.
9	Q. When you say "we" do you mean we
0	Hydro or we in that field of science?
í	A. In the field of social impact
2	assessment.
3	Q. So at the present time these are the
4	only alternatives or the only actions that you are
5	aware of as part of your study? Is that what you are

1	saying?
2	A. I'm saying within the field of social
3	impact assessment these are eight activities that
4	relate to impact management. And they are quite broad.
5	Q. They cover the spectrum, though, do
6	they?
7	A. They tend to, yes. I think I have
8	also said, though, that because we try to be very
9	community-specific that it is a dynamic process and
10	things are invented, things change in order to meet the
11	needs of a local community. So I hesitate to
12	characterize them as being the only ways to proceed.
13	We are certainly open to discussion for variations on
14	these or new ideas.
15	Q. My response when I read those, when I
16	heard you testify in that regard, was to think that
L7	there are some impacts which are just totally
18	unacceptable, totally intolerable, and to talk about
19	efforts to mitigate them falls short of the mark. What
20	one needs to talk about are alternatives to avoid them
21	rather than steps to reduce them. Do you understand?
22	A. Yes, I do.
23	Q. Have you ever run across the Mother
24	Earth concept in the Aboriginal sense?
25	A. I have.

	(()
1	Q. Do you have a working knowledge of
2	what that means?
3	A. It might be helpful if you could
4	provide me with a bit of background.
5	Q. Well, let me suggest to you that in
6	an Aboriginal community the relationship between a
7	person in the community and the land and the water and
8	the rocks and the air is a relationship of
9	mother/child. Does that sound familiar?
10	A. Yes, it does.
11	Q. So when one is talking about
12	something that may have a detrimental effect on Mother
13 -	Earth, if one adopts this concept, then talking about
14	mitigation isn't a matter of great interest. Does that
15	make sense?
16	A. Yes.
17	Q. So that if I can be so bold as to
18	suggest that if one is talking about how to lop off
19	mother's arm how to do it so it won't be quite so
20	painful isn't really as important, it isn't a matter of
21	real interest because the fundamental interest is that
22	one should not be doing that in the first place. Does
23	that make sense?
24	A. Yes. I guess, if I can just clarify,
25	these are impact management activities, and at an

1	earlier stage in the process you may well be looking at
2	avoidance. You may be doing that at the time you are
3	looking at alternatives.
4	Q. And if one goes through that process
5	and gets to impact management the management process
6	that you have described necessitates active
7	co-operation from the community; right?
8	A. I believe it does as a professional
9	in my field.
.0	Q. Well, in fact, the first step is to
1	scope the issues, and I think you said you had to
.2	identify the issues from a local perspective; right?
.3.	A. Yes. But can you just help me? Are
.4	you talking about impact management or are you talking
.5	about the whole ways to do impact assessment, the five
.6	steps of impact assessment?
.7	Q. I am going to be talking about the
.8	five steps of understanding the social environment
.9	A. Okay. Fine.
20	Q and that to understand the social
21	environmental there must be active co-operation from
2	the local community; correct?
	A. Yes.
14	Q. Pretty well essential in all five
15	steps; am I right?

1 ,	A. Yes. Varying degrees, but yes.
2	Q. My point is that is going to be
3	rather difficult if the effect one is attempting to
4	mitigate is in effect, in substance is just
5	intolerable; right?
6 .	A. Could be. It could be.
7	Q. So if we haven't been able to avoid
8	that which is intolerable it is going to be really
9	difficult to get co-operation from an Aboriginal
10	community, assuming they abide by this Mother Earth
11	philosophy I have told you about? It's really
12	difficult to get them to co-operate in mitigating it;
13	true?
14	A. That's true. I would envision that
15	it is possible for them to be providing that feedback
16	to us and that we could go through a discussion of
17	mitigation enhancement and all of the other things
18	associated with impact management, and in the end after
19	some analysis if the local feeling is that despite all
20	of these efforts that the effect is still intolerable,
21	then that's something that would be a major influence
22	on whether or not the project should proceed.
23	Q. I understand. I guess my point is
24	that if you stay with me on the premise that the

Aboriginal community views the relationship of the

1	individual to his environment as I have described it
2	and if he perceives the change that the proponent is
3	suggesting as one which is just intolerable, then it
4	will be next to impossible for anybody, no matter what
5	their expertise, to get the co-operation needed to
6	embark upon the five steps of understanding
7	environment?
8	A. Well, I guess I am having a problem
9	because impact management - and you are predominantly
.0	referring to it as mitigation - is something that's
.1	done towards the end of that process that includes five
.2	steps. So you actually want to, through the
.3	environmental assessment process, come to learn
.4	something of the environment and to provide some
.5	analysis of things.
.6	It is not a political process. It is an
.7	analytical process. It requires some sense of impacts
.8	given the shades of grey that might occur, the
.9	difference of opinions that may exist on the
.0	significance of those within a local community.
1	But I would have thought that there would
2	have been the possibility of co-operation for
3	identifying issues, for discussing some of the effects,
4	for discussing some of the significance, discussing
5	some of the impact management even if in the and a

	Harris (cr Allison)
1	community thought a particular impact was intolerable.
2	I don't think it precludes at the front
3	end that they wouldn't become involved. They would be
4	shortchanging all of those steps and the analytical
5	process.
6	Q. I guess what I am suggesting, Ms.
7	Quinn, is you may be wrong. That's what I am
8	suggesting. I need to know whether or not you
9	understand why I am saying that. I don't expect you to
10	agree with me.
11	Do you understand where I say that you
12	may be wrong in that assumption?
13	A. Yes, I understand.
13	A. Yes, I understand. Q. In part, I think your evidence
•	
14	Q. In part, I think your evidence
14	Q. In part, I think your evidence related to this sense of relationship between the
14 15 16	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native
14 15 16 17	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627.
14 15 16 17 18	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627. I'm sorry, I haven't the right page
14 15 16 17 18	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627. I'm sorry, I haven't the right page reference, but let me give what your evidence was and
14 15 16 17 18 19 20	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627. I'm sorry, I haven't the right page reference, but let me give what your evidence was and see if you can recall it. I think your evidence was
14 15 16 17 18 19 20 21	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627. I'm sorry, I haven't the right page reference, but let me give what your evidence was and see if you can recall it. I think your evidence was that the potential to effect change would arise where
14 15 16 17 18 19 20 21	Q. In part, I think your evidence related to this sense of relationship between the individual and the environment from a native perspective, I believe it was at 14627. I'm sorry, I haven't the right page reference, but let me give what your evidence was and see if you can recall it. I think your evidence was that the potential to effect change would arise where communities have strong links to land and water.

1 recall that? 2 Yes, that's right. Α. 3 Q. What is your understanding of the legal links that you referred to? 4 5 Well, there are treaty rights, there 6 are Aboriginal rights. There are also --7 Is there a distinction between treaty 8 rights and Aboriginal rights, in your understanding? 9 As I understand them. And I am not a 10 lawyer, but as I understand them they are different. 11 Would you feel confident if I had 12 asked you to distinguish them or do you feel it is 13 beyond your scope? 14 I really shouldn't. 15 Okay. Any other legal links that you have in mind when you say that, when you gave this 16 17 evidence? 18 Well, I am aware of the Indian Act, A. 19 and I am aware of the -- I'm not sure if the statement 20 of political relationships is legal or legislative. 21 am not too sure --22 Q. Or political? 23 A. Or political. I am not too sure how 24 to characterize that, but I think that within it there 25 is recognition of legal distinctions, and I know the

province is in discussion with other representatives of 1 2 Aboriginal communities, and there will be further 3 distinctions drawn. 4 Q. Do you have in your department 5 experts to deal with those legal links? 6 A. No, we are not a department that has 7 lawyers in our group. 8 Q. Are they elsewhere in Hydro 9 somewhere? 10 There is a legal department. Within A. our group we have people with backgrounds specifically 11 12 in Aboriginal matters. 13 Q. What did you mean when you said 14 historical links? 15 A. Well, it is really the reference to the fact that Aboriginal people have been here longer 16 than western civilization has been, so we understand 17 18 that they have a much more extensive history and a 19 significant one for us to understand. 20 Is there a suggestion here that 21 because of that they have a better understanding? 22 They may. They also have a different 23 understanding than we do. 24 You referred to cultural links? 25 Yes. A.

1	Q. What do you mean?
2	A. Well, your reference to the Mother
3	Earth relationship I think is an example of that. Our
4	culture and we are a multi-cultural society so I
5	shouldn't use 'our', but other cultures within our
6	society do not have such references.
7	Q. Is it your experience in working with
8	the Aboriginal communities that there is an us and them
9	mentality?
10	A. I see that to some extent. It's not
11	always the case.
12	Q. Do you sense that they perceive that
13	in your work?
14	A. I think at the front end that often
15	can be the case.
16	Q. I know that the Board will want to
17	take a lunch recess, but if I can just give you this
18	one illustration and then I will ask the Board if it
19	wishes to rise.
20	The story is it told and I will be
21	very brief, Mr. Chairman. This might illustrate my
22	point.
23	THE CHAIRMAN: It is going to lead to a
24	question, I assume; is that right?
25	MR. ALLISON: Oh, it is.

1	Q. The story is told that the Native
2	people initially felt that they will were alone in this
3	land with the rocks and the trees and the water and
4	that another civilization came, cut down all the trees
5	and forested and clear-cutting and so on, left them
6	with the rocks and the water, and that this other
7	civilization later came back and dammed up the rivers
8	and created power generation and left them alone in the
9	rocks, and that then this other civilization came back
10	again, and the native response is: My heavens, they
11	have come for the rocks.
12	[12:57 p.m.]
13	Now, my question is this: In working
14	with Aboriginal communities, have you had a sense from
15	them in their response or their lack of response, that
16	they perceive Hydro as someone coming back for the
17	rocks?
18	MS. QUINN: A. Well, our reaction has
19	been mixed. You are asking a very general question.
20	Q. Yes.
21	A. In some areas we have been able to
22	sort things out and in others we haven't. And
23	sometimes it takes time and sometimes it may not
24	happen.
25	I think we have been quite reasonable

- 1 here in admitting that there may be undertakings 2 Ontario Hydro suggests or specific impacts that are not 3 acceptable to Aboriginal communities, and the results 4 may be that particular activities don't proceed. 5 So we are not trying to dismiss that there can be differences. 6 7 MR. ALLISON: Mr. Chairman, this is 8 probably an appropriate point to recess, if you are so 9 inclined. 10 THE CHAIRMAN: Do you have some idea of 11 how much longer you are going to be? 12 MR. ALLISON: I should think less than an 13 hour. 14 THE CHAIRMAN: Who is next? 15 MR. MARK: I believe I am, Mr. Chairman. Mr. Rodger and I have had some debate about that, 16 17 depending on the timing of it. At this time it looks 18 like it's going to be me. 19 THE CHAIRMAN: We will adjourn until 20 2:30. 21 THE REGISTRAR: This hearing will adjourn 22 until 2:30.
- THE REGISTRAR: Please come to order.

---Luncheon recess at 1:00 p.m.

---On resuming at 2:35 p.m.

23

	Harris (cr Allison)
1	This hearing is now in session. Please be seated.
2	MS. QUINN: Mr. Allison, before you
3	start, if I may interrupt for a moment.
4	I agreed this morning to advise the panel
5	of the number of a particular interrogatory that had to
6	do with the study, with the Whitesand Band, and it's
7	No. 6.10.65. It attached to that interrogatory.
8	THE REGISTRAR: 6.10.65.
9	MS. QUINN: Thank you.
10	THE CHAIRMAN: Is there a number for it?
11	THE REGISTRAR: 367.110.
12	EXHIBIT NO. 367.110: Interrogatory NO. 6.10.65.
13	MR. ALLISON: Q. Mr. Flook, could I draw
14	your attention, please, to the evidence that you gave
15	in transcript Volume 82 at 14543.
16	You will see a paragraph that begins at
17	the very bottom of the previous page wherein you relate
18	those factors encompassed in an allowance equal to 22
19	per cent of the direct cost. You will see that the
20	various elements comprised in that 22 per cent
21	allowance are listed at the top of 14543. Do you see
22	that?
23	MR. FLOOK: A. Yes.
24	Q. And among that list, near the end I
25	see one of the items is the fulfillment of community

1 agreements; is that right? 2 Α. That's correct. 3 Q. And by that I take it that you are 4 referring to community impact agreements? 5 A. Yes. 6 My understanding further is that to 0. 7 date Hydro has not entered into a community impact 8 agreement with an Aboriginal community; is that right? 9 A. For hydroelectric projects, that's 10 correct. 11 Q. Now, I assume that this particular 12 element represents some fraction of the 22 per cent; is 13 that right? 14 Α. Yes. 15 What fraction? 0. 16 A. I have not assigned a particular 17 fraction to it. 18 Q. So it's not attributed any weight 19 with respect to the other elements listed on this page? 20 No, I haven't. Α. 21 My question then is, how does one Q. 22 know that 22 per cent is a reasonable margin if at least on this one element you do not have experience 23 24 with Aboriginal communities? How do we know that that 25 margin is going to be enough when, among other things,

1 it must cope with the cost of completing a community 2 agreement when in fact Hydro does not have experience 3 in Aboriginal communities with community agreements? 4 It was a judgment made that based A. 5 upon agreements relating to other technologies and 6 things that have happened elsewhere in Canada. 7 Q. Are you referring to other community 8 agreements elsewhere in Canada? 9 A. Or within Ontario. 10 Q. All right. And these other community 11 agreements, would any of those be with Aboriginal 12 peoples? 13 A. I couldn't say. 14 Does this calculation, in effect, put Q. 15 a cap on a maximum cost that can be incurred with your 16 calculations for the purpose of satisfying community 17 agreements? 18 A. No, I believe it doesn't relate to a 19 cap or a minimum or anything else. 20 So I take it that before the numbers 0. 21 would be complete, the cost of the community agreement 22 would have to be projected? 23 A. As the process went along, correct. 24 I take it that the overall cost of 0. the project would have to be fixed before one sought 25

1 approval for the project; is that fair? 2 A. Yes, that's correct. 3 Excuse me, approval internally within 4 Ontario Hydro to release monies. 5 Q. All right. Now, what about approval 6 externally in terms of environmental approval? 7 Normally you would fix the cost before you went for environmental approval; is that fair? 8 9 A. No, I don't believe so. 10 So that on a specific project one would seek approval before knowing the economics of the 11 12 project? 13 A. You would have a good idea of the 14 economics but you may not have specified every individual item on the project. 15 16 Q. So it might be scoped down but not 17 written in stone yet. 18 Exactly. Α. 19 Or concrete, as the case may be. 20 My understanding, Ms. Quinn, is that 21 community agreements are not signed until after 22 approval is given; is that right? 23 MS. QUINN: A. Yes, that's right. 24 Q. Is that external approval or internal 25 approval as Mr. Flook has distinguished them?

	A. Well, it would be whatever approval
2	is required for the project to proceed, and in this
3	case we are talking about approvals under the
4	Environmental Assessment Act, so it would be
5	externally, either the Ministry of the Environment or a
6	board such as this.
7	Q. So that if I understand the process,
8	Mr. Flook, the costs of the project are going to be
9	estimated, then the proponent will seek external
10	approval, and only after that approval is granted, if
11	it is, that one would then embark upon negotiating and
12	executing the community agreement. Have I got the
13	steps right? Is that the sequence?
14	MR. FLOOK: A. That has been the
15	sequence of events to date.
16	MS. PATTERSON: Could I just clarify? Is
17	the negotiation all done after the approval or is it
18	done prior to approval as well?
19	MR. FLOOK: The negotiation may take
20	place prior to it, although the final signing of the
21	agreement, let me put it that way, would take place
22	after.
23	MR. ALLISON: Q. Until the final
24	signing, I take it that no one knows for sure what the
25	terms of the agreement will be; is that fair?

1	MS. QUINN: A. No, that's not the case.
2	Because within our environmental assessments we make
3	many commitments as to what will be in the agreement
4	and even undertakings that might be outside of an
5	agreement.
6	Q. Do the communities make any
7	commitments?
8	A. They may well. The impact management
9	is something that's discussed during the planning stage
10	of the project per se, and they may make agreements as
11	well.
12	We usually have some kind of
13	understanding of the topics and the scope and so on, so
14	discussions are down the road but they are not
15	complete.
16	Q. I take it it's within the realm of
17	possibilities that one can embark upon the
18	environmental process without an understanding with an
19	affected community; is that fair?
20	A. We would have had discussions as part
21	of the planning process about impact management, there
22	would be some understanding about what form impact
23	management might take, whether it's within an agreement
24	or outside an agreement. So it's more a question of
25	degree.

1	Q. Do you see the problem I am
2	perceiving here, that potentially it seems to me on a
3	particular project, a community could be opposed to the
4	project, could take that position at an environmental
5	process, approval could be given and at that point the
6	proponent would want to embark upon a community
7	agreement, I take it. Am I right? Isn't that a
8	possible sequence?
9	A. It's very unlikely. It's really an
10.	upfront part of what we discuss when we are talking
11	about effects and significance of effects and how to
12	manage then. So, it would have begun much earlier than
13	that that the specifics would have been discussed.
14	Q. So you are saying it's very unlikely
15	that you would go into a hearing with a community
16	opposed?
17	A. No, I'm sorry, I thought I thought
18	you were talking about whether or not we would have had
19	an understanding completed with a community before
20	going into a hearing.
21	Q. Okay, so I just want to break that
22	down. You are saying that you would not normally
23	embark upon a hearing without some understanding with
24	the community; is that what you are saying?
25	A. Yes, that's right.

1	Q. In a theoretical example, if the
2	community is opposed to the project, how do you come to
3	terms with a community impact agreement that deals with
4	the impacts of a project they wish to oppose? How do
5	you get the terms of how we are going to play the game
6	if you win if the community is saying, we don't want
7	you to win, we take the position you ought to lose?
8	A. We can still make commitments on our
9	part to do certain things.
10	Q. I agree. My question is: How do you
11	expect to get the community to make commitments to come
12	to an understanding?
13	An understanding is a two-way thing;
14	isn't it?
15	A. Right. If the community is absenting
16	themselves completely from the environmental impact
17	assessment work, that's difficult. But if they been
18	involved in different stages and there is one point of
19	disagreement but several of agreement, you usually had
20	discussions.
21	It's not as though you are operating in a
22	black or white situation very often. There usually
23	shades of gray and you know something of what their
24	concerns are and what their preferences are.
25	Q. I take it from your comments that the

(01 111110011)
scenario I am suggesting is unlikely, and I will accept
that for the moment.
Let's assume that the issue before this
environmental process, before the hearing, is one which
is the proponent's application is thoroughly
intolerable to the community, it seems to me that your
system breaks down if part of the process that you
intend to follow is an understanding during the hearing
and a formal agreement after the hearing, that's going
to breakdown if the community is diametrically opposed
to the project from the outset. Do you see my dilemma?
A. If the community is diametrically
opposed and also chooses not to have any discussions
with you, yes. But it's not necessarily the case that
they are opposed and also choose to be so remote that
they are not having some kind of discussion.
Q. If I were a more critical person
THE CHAIRMAN: I am not sure what this is
all getting to. This sounds to me like a very
site-specific kind of discussion you are having. If
people don't agree, you can't have an agreement. That
is pretty fundamental.
MR. ALLISON: It would seem so to me.
Q. Mr. Harris, you have been asked many
questions about mitigation of mercury poisoning, and I

Harris (cr Allison) 1 don't intend to review that. 2 I do wish to put to you a position that 3 my clients may well expound and may put forward as part of their case, I thought I should give you an 4 5 opportunity to respond. I would like to give you a 6 short statement and ask you to respond as to whether 7 you agree or disagree. 8 The statement is this: Elevated mercury 9 levels in fish following a reservoir impoundment is a 10 widespread problem. Many factors appear to influence the mercury levels which make it impossible to predict 11 12 the severity the problem at a given reservoir, 13 especially if there is no previous experience in the 14 same area. 15 'It's kind of lengthy so perhaps I will 16 just give it to you in pieces. 17 Part of the case may well be this: That elevated mercury levels in fish following a reservoir 18 19 impoundment is widespread. 20 Do you agree or disagree? 21 MR. HARRIS: A. I agree that in 22 situations involving flooding there would be usually an 23 increase in the fish mercury levels, the extent of the

Q. And further: Many factors appear to

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increase would vary.

1	influence the mercury levels which make it impossible
2	to predict the severity of the problem at a given
3	reservoir.
4	How do you respond to that?
5	A. I think I would say that we lack an
6	accurate predictive capability. We do have some
7	capabilities in terms of trends and based on previous
8	experiences elsewhere what the levels might be.
9	Q. Finally, is that especially true
10	where there is a lack of previous experience in the
11	same area?
12	A. Sorry, is what especially true?
13	Q. The suggestion that many factors
14	influence mercury levels and it is difficult to predict
15	them?
16	A. I would say the experience within the
17	same region does provide you with some additional
18	insights.
19	Q. And therefore the absence of that
20	information puts you at a disadvantage relatively; is
21	that it?
22	A. I prefer to phrase it the other way.
23	Q. I'm sure you do.
24	Have you been good enough to tell us all
25	of the mitigation steps that you have in mind? Have

1 you told the Board all of the mitigation steps that are 2 possible? 3 The direct evidence and Exhibit 333 lists a fair number of options. I think there are 4 probably a few others which might be thought of at the 5 6 case-by-case stage. 7 Q. Is it fair to say that these efforts to alleviate the problem are virtually untested by 8 9 Hydro at this point? By untested I mean 10 experientially? 11 Well, in terms of the experience in 12 mitigating the increase in fish mercury levels, there 13 has been some experimental work down, for example, 14 looking at the effect of organic matter on 15 methylmercury production. In Manitoba, for instance, 16 they did some experimental work and found that there 17 was indeed a connection and in fact some of the 18 Manitoba studies concluded that organic matter was a 19 driving force in this issue and that the increase in 20 methylmercury production is directly proportional often 21 to the amount of organic matter, which then I think 22 gives us some reason to think that mitigative efforts 23 to reduce the amount of organic material in a reservoir 24 through a reservoir preparation plan would help.

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[2:51 p.m.]

1 So that yes, it's untested in terms of 2 actual reservoir situations, yes, but there is some 3 experimental work that gives us some insights. 4 My attention has been drawn to 5 Exhibit 118, which is a Hydro document entitled 6 "Mitigation of Mercury Effects in Newly Created 7 Impoundments of Reservoirs". I am sure you are 8 familiar with that document. 9 Yes, I am. 10 0. On page 11 I see there is some 11 reference to selenium. Do you see that? It's page 11 1.2 of the report. 13 Α. Yes, I do. 14 What is this substance? 15 Α. Selenium is an element I believe that 16 can be added to an aquatic system, and it can affect 17 the uptake of mercury in fish and the distribution of 18 mercury in fish. 19 Q. Is this one of the mitigation steps 20 that you consider a possibility today? 21 A. We are aware of it. Yes, we look at 22 it, but selenium is itself a toxic substance, and we 23 therefore are cautious about its use. But it has been 24 tried in Sweden, for example, and so we are aware of it, but I don't think we would be promoting it today as 25

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- Q. Why? Or why not?
- A. Well, I think because of the concerns
- for the toxicity of selenium itself.

developments in one water system?

- Q. Have there been any studies to your
 experience about the effects of sort of a cumulative
 effect where there may be a series of hydroelectric
- 9 A. In the case of the Manitoba

 10 experience, I think Exhibit 400, which is an article

 11 looking at a model to predict mercury levels in fish,

 12 refers to the significance of an upstream component.

That particular model looks at the contribution to methylmercury in fish both from the reservoir itself and from upstream, and they concluded that the upstream component was important, and in that sense I think there is an acknowledgement that a series of projects could have cumulative effects, yes.

Q. If there is a mercury problem related to impoundment how localized is the problem, I mean geographically? Is it possible to be a contaminant present at a significant distance from the dam site?

A. I think it is a very site-specific question, but to try and answer in a general sense I think you could have mercury increases in fish within a

reservoir to some extent downstream and depending on 1 2 fish movements possibly upstream to some extent. 3 Q. Ms. Quinn, in your evidence-in-chief you have made some reference to the Statement of 4 5 Political Understanding with First Nations, that being a statement executed by the Government of Ontario as 6 7 well as various First Nations in Ontario. Do you 8 recall that? 9 MS. QUINN: A. Yes. 10 Q. And perhaps I will refer you to your 11 statement in the transcript, Volume 82, the one and 12 only copy, I see. I should have lent you one. Page 13 14644? 14 THE CHAIRMAN: 64...what, I'm sorry? 15 MR. ALLISON: 14644. 16 THE CHAIRMAN: Thank you. 17 MR. ALLISON: Q. Do you have it? 18 MS. QUINN: A. Yes, I do. 19 Q. At line 21 there is a statement that 20 says: 21 "In recognition of a statement of 22 political relationships signed by the 23 Government of Ontario and the First 24 Nations in August of this year, which is 25 Exhibit 354, and the Corporate Aboriginal

1	Relations Guidelines adopted more than a
2	year ago by Ontario Hydro, which is
3	Exhibit 235, Ontario Hydro will work with
4	First Nations as governments and
5	acknowledge the unique legal historical
6	and cultural status of all Aboriginal
7	people."
8	True?
9	A. Yes.
10	Q. Now, let me make sure I understand
11	what you are saying here. There is some reference to
12	the fact that Hydro is prepared to work with First
13	Nations as governments, and I am wondering if that part
14	of your statement is disjunctive, separate and apart
15	from the balance of the sentence, which says that you
16	will acknowledge the unique legal, historical and
17	cultural status of all Aboriginal people.
18	Specifically what I am asking you is,
19	when you say "all Aboriginal people" I think I know
20	what you mean by that because that includes Metis,
21	off-reserve
22	A. Yes, that's correct.
23	Qbeyond the scope of what were
24	called status Indians?
25	A. Yes, that's correct.

	Harris (cr Allison)
1	Q. But the first part of the statement
2	when it refers to First Nations, I think I understand
3	what you mean, and that's a smaller sub-group of
4	Aboriginal people; is that right?
5	A. Yes, as we understand that that
6	agreement pertains to.
7	Q. So that if I use your terminology -
8	and I would ask you to correct me if I am wrong - what
9	this statement says is that you will work with First
0	Nations as governments, it does not say that you will
1	work with other Aboriginal people as governments, and
2	that you will acknowledge the unique status of all
3	people? Have I got it right?
4	A. That's right. We are directed by
5	government on this point really, and that's our
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A. That's right. We are directed by

government on this point really, and that's our

understanding of the way things sit. We are not the

ones negotiating the agreements with the Aboriginal

communities. It is the provincial government, and so

if the status of groups other than First Nations is

changing, then we would observe that as well.

But at this point in time it's our understanding that that's the way the agreement with the First Nations suggests that our government behave,. and we in turn.

Q. Am I right to say that working with

	Addition (of Allison)
1	First Nations as governments means that they will be
2	handled in a special or peculiar manner that is
3	different from working with a group that's not a
4	government?
5	A. Well, within our project-specific
6	work our activities include governments - provincial,
7	municipal, regional - and anyone else really as well as
8	other affected parties.
9	Q. All right.
10	A. The nature of our consultation or
11	co-planning activities would vary depending on the need
12	for studies, the nature of the proposal that's being
13	undertaken, and so on. So there may be differences,
14	but I think in the Moose River Basin for the plan
15	assessment co-planning was something that was offered
16	to all people in the Basin, whether they were First
17	Nations or not.
18	And so we it isn't as though there is
19	a crisp distinction about the way we treat parties
20	simply because they are governments or not governments.
21	Q. Well, there seemed to be a crisp
22	distinction here. That's what I am trying to
23	understand.

A. As I understand it, it would have been incorrect for us to have said that the Statement

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- of Political Relationships would have included all
 Aboriginal people as governments.
- Q. So your understanding of the

 statement is as a result of these two sources, the

 Statement of Political Relationship and the Corporate

 Guideline, that there is a distinction between First

 Nations and other Aboriginals?
- A. Well, our Corporate Guidelines don't
 make the distinction between First Nations and other
 Aboriginal people as governments, but it is the
 Statement of Political Relationships that does that.
- Q. All right. And are you able to put
 some flesh on the bones in terms of telling me when we
 get down to specifics what's going to be the
 difference? If Hydro is going to treat one as a
 government and the other one recognized as special
 status, how does that translate to a difference? What
 is the difference?

A. Well, I think a group that's been
empowered to be a government has some other
authorities, and we know specifically that the
Statement of Political Relationships is tied in with
discussions about self-government. That may lead to
some differences in terms of what authorities First
Nations would have.

1	In studies that we have done in the
2	recent past it hasn't really meant a very big
3	difference in terms of how one conducts oneself in
4	terms of doing studies or meeting with people, having
5	discussions, but it may have more of a distinction in
6	the future.
7	Q. It sounds to me like the relationship
8	of First Nations in the future will be more toward a
9	partnership. How do you respond to that?
10	A. Partnership is the word that I used
11	in my direct evidence to discuss the type of
L2	relationship one would hope for in terms of impact
L3	management, and I think that was with local
L 4	communities. We didn't make the distinction there.
1.5	Whomever the affected parties are at that time, that's
16	how we would like to work with them.
.7	The co-planning of studies involves
.8	working more closely than simply through a consultation
.9	program. As I say, that's been offered to people other
0	than First Nations as well.
1	Q. All right. I'm not attempting to tie
2	you to your use of the word partnership, and I am not
3	trying to confuse this part of your testimony with that
4	which we discussed this morning, but my question simply
5	is that it seems to me that if you are going to start

1	treating First Nations as governments, that's a new
2	beginning, isn't it? That wasn't done before; am I
3	right?
4	A. Before?
5	Q. Before the Statement from the
6	Government of Ontario and the Corporate Guidelines?
7	A. Oh, when the Corporate Guidelines
8	came in we had an inkling that this was what was coming
9	along, so I would say in the last couple of years we
10	have been observing that.
11	Q. Prior to that couple of years. This
12	is a new beginning?
13	A. That's right. Yes, it is.
14	Q. I take it that this new beginning in
15	my observation of your testimony indicates that Hydro's
16	approach with respect to First Nations is going to
17	gravitate towards a sharing of decision-making, a
18	sharing of financial responsibilities, some opportunity
19	for a veto, as it were, essentially closer to a
20	relationship of partnership in a very pure and
21	technical sense than what may have existed five or ten
22	or 50 or 100 years ago.
23	How do you respond to that? Do you agree
24	with me or disagree?
25	A. Well, I have to provide a lot of

1	qualifiers to what you are saying. In general, we
2	would like a relationship with the communities where a
3	facility might be located to be characterized by that
4	kind of relationship, and that could well include First
5	Nations

We understand that the relationship with First Nations may be different in some ways which we are going to be learning more about, but I think I have only referred to the veto with regards to the Moose River Basin.

So I wouldn't suggest that the veto notion extends just to First Nations or outside of the Moose River Basin. So I would have to qualify that point, and there are other aspects of your question that I can't quite remember but if you could remind me I would be happy to speak to them.

Q. If I can put it this way, it seems to me that if Hydro were to do some development project that involved another province, a state in the northeastern corner of the United States of America, that you would have to deal with that other entity as a government, and that you would have to deal with it on a partnership basis in the sense that there is going to be some sharing of responsibilities, there would be some sharing of decision-making, and that other state

1	or power is going to have some veto in terms of their
2	involvement; right?
3	I am suggesting to you that if you are
4	about to embark upon treating First Nations that way
5	then the same conclusions follow, that dealing with a
6	First Nation will be similar to dealing with Manitoba
7	or Minnesota or some other foreign power.
8	How do you respond to that? Do you agree
9	or disagree?
10	A. I don't really disagree, but it
11	excludes other groups with whom we would also want to
12	have a partnership relationship.
13	Q. I recognize that.
14	A. Okay.
15	Q. I am focusing only on the first part
16	of your statement.
17	Now, I take it then that may be an area
18	of distinction between First Nations and other
19	Aboriginals; right?
20	A. Well, it may be by the authority that
21	First Nations could have.
22	[3:05 p.m.]
23	Q. I got the sense in listening to your
24	evidence in chief and also in cross-examination by four
25	or five lawyers on these issues, that Hydro has been

1 limited in what it wanted to do, I think specifically 2 at Moose River, because of response or lack of response 3 from the Aboriginal communities; is that a fair characterization of what you were saying? 4 5 A. Yes, that's true for projects in the basin beyond Mattagami and it is true for the plan 6 7 assessment to do with the basin. 8 Q. And is it fair to say that the goals 9 or aspirations of Hydro have been somewhat frustrated 10 by that lack of response? 11 It's probably fair. As I have said, earlier the decisions have been made at a senior level 12 13 and I don't know what senior people would agree to as 14 characteristic. 15 Q. Far be it for me to impinge on your 16 livelihood. (Laughter) 17 Α. That's right. Thank you. 18 It seems to me, though, that if that Q. 19 is a problem or has been a problem or will be a 20 problem, that the onus remains with Hydro, that when 21 there is a lack of response, that that does not 22 alleviate the proponent from finding some other course 23 that gets the response. 24

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25

How do you respond to that?

A. Well, we also have to observe that

1	the response from the First Nations in particular was
2	that they would like to deal with the provincial
3	government first, so we are respecting that. And there
4	in fact has been a response, Ontario Hydro has agreed
5	to that response and it's a provincial negotiator.
6	Q. All I am asking you is, do you agree
7	with me that when that happens the onus remains with
8	Hydro?
9	A. I guess I am not entirely agreeing
10	with you because we have limitations on what we can do,
11	and what is required may involve more than the
12	authority of Ontario Hydro.
13	Q. Would you agree with me that in some
14	cases a lack of response may indicate that the method
15	used to stimulate response simply hasn't worked; is
16	that one possibility?
17	A. It's a possibility.
18	Q. I would like to turn then, if I can,
19	Ms. Quinn, to some evidence that you have given with
20	respect to the Ontario Native Economic Development
21	Policy. Do you recall that policy?
22	I believe it's been introduced as Exhibit
23	370. I shall refer to you the pages of the transcript
24	at which you made reference. Volume 83, page 14764.
25	A. Yes.

1	Q. You will see there a very lengthy
2	question given you by Mr. Moran from the Government of
3	Ontario. In his question he makes reference to Exhibit
4	370, particularly four principles, four among others.
5	The first is at page 14764, line 15:
6	Ontario recognizes that initiatives in
7	support of economic development need to
8	be compatible with native lifestyles and
9	aspirations and recognizes there are
10	differences between regions, on-reserve
11	and off-reserve communities, stages of
12	development, potential sectors and
13	opportunities.
14	My understanding of that is that a part
15	of the principle is that on-reserve communities are not
16	equal to off-reserve communities, that there is a
17	distinction there. Is that the way you read it?
18	A. They seem to have made a distinction
19	for some reason, yes.
20	Q. My understanding further is that Mr.
21	Moran asked you specifically what steps Hydro has taken
22	to incorporate these principles, this and others that
23	we will get to, into overall planning. At the next
24	page, 14766, there is and answer you have given, an
25	answer no shorter than the long question given you, and

1	I think I boiled out of that three things that you have
2	said and I ask you to sort of roll back in your mind as
3	to whether or not I have missed anything.
4	It seems to me you answered him by saying
5	first of all that you would refer him to your
6	Aboriginal relations guidelines; secondly, that you
7	would look at the plan assessment you were hoping to
8	work on for Moose River, and thirdly you pointed out
9	that Hydro is trying to work with local peoples'
10	interests in mind
11	Have I fairly summarized your response?
12	A. I think so.
13	Q. With respect to the first of those
14	three answers that you gave him, you went on
15	specifically at 14766, line 15:
16	I believe you would find some
17	concurrence between ideas in our
18	guidelines and some of the principles you
19	have referred to, so I believe from a
20	corporate perspective we have got
21	something of a track record under our
22	belt.
23	Do you recall that?
24	A. Yes, it's here on the page.
25	Q. My observation is that that's a

1 pretty short track record. How do you respond to that? 2 A. Well, this is a general statement and 3 if I were to look at the specific, and I don't have it 4 front of me, principles and our guidelines, there may 5 be some matters that have some history. 6 As I understand it, the provincial policy 7 doesn't relate only to applications under the 8 Environmental Assessment Act. There might other areas 9 of work that Ontario Hydro is involved in where it has 10 some track record. 11 Q. My point though, Ms. Quinn, is that 12 if I look at the length of time that we have had Hydro 13 and the length of time that we have had Aboriginal 14 people on the one hand, and the length of time we have 1.5 had a vice-president at Hydro focused on these issues, 16 and length of time we have had a steering committee, 17 and length of time we have government policy and length 18 of time we have had a corporate guideline, it's a 19 pretty short track. 20 Do you see my point? Does that make 21 sense? 22 Α. Yes, it makes sense. 23 The second part of your answer dealt 24 with what you hoped to do at Moose River, and I take 25 it, as we have already discussed, that is something

1	that hasn't yet matured; is that right?
2	A. Yes, that's right.
3	Q. The third part of your answer dealt
4	with the focus on dealing with local peoples' interest
5	which I take is a part of other areas of your evidence
6	in chief that have we have talked about this morning,
7	different steps that you would take in terms of impact
8	management?
9	A. Right.
10	Q. The next principle that Mr. Moran
11	referred you to was at line 23 on 14764, and he read it
12	as this:
13	Ontario recognizes that greater native
14	economic self-reliance is achievable
15	through activities in all he sectors of
16	the economy including resource
17	development.
18	My understanding is that that encompasses
19	Ontario Hydro. Does that seem reasonable to you?
20	A. Yes, that's right.
21	Q. And I will just jump down to
22	principle No. 8, he read it as this, line 13, on page
23	14765:
24	Ontario acknowledges the right and
25	responsibility of native communities to

1	take the lead role in planning and
2	shaping their own future with the
3	involvement of public and private
4	sectors.
5	Now, I would like to canvass with you
6	your understanding or how Hydro has responded to this
7	principle, specifically this concept of lead role. I
8	would like to see if I can find out some understanding
9	of what you have in mind or what the corporation has in
10	mind in that respect.
11	MS. HARVIE: I'm sorry, Mr. Chairman,
12	this very question seems to have been asked on page
13	14767 at line 13 by Mr. Moran.
14	MR. ALLISON: Indeed, that was my next
15	observation for Ms. Quinn, was to read her that
16	question and her answer, because respectfully, and I do
17	mean respectfully, I don't think you answered the
18	question, and so I wanted to explain
19	THE CHAIRMAN: Perhaps you should refer
20	her to the question, rather than asking the question
21	again.
22	MR. ALLISON: Indeed.
23	Q. Page 14767, the question Mr. Moran
24	gave you was this just a minute, I will get you the

line. Line 13, as Ms. Harvie said, I'm sorry.

25

1	Can you indicate the strategies that
2	would support in particular the notion
3	set out in the principle 8 relating the
4	lead role taken by native communities
5	with respect to their own future?
6 '	And then your answer follows. And my
7	synopsis of your answer is that you said, we do local
8	purchasing, we assist local businesses, we are aware
9	that there is an indirect employment effect, through
10	consultation we try to learn about the local community
11	as to whether they want to take the lead.
12	Is that the gist of your answer?
13	MS. QUINN: A. Yes, that's what is there
14	but I think there is another point to be made, and that
15	is that we are in a bit of reactivate situation. The
16	community, the native community as it's referred to in
17	principle No. 8 is asked here, and acknowledged, as
18	having the right of responsibility to take the lead.
19	We can provide some opportunity but we are not in a
20	position to go beyond a certain point.
21	Q. I recognize that.
22	A. So what I have done is I have tried
23	to give you some examples of where there might be an
24	interface and one might be in the area of local
25	purchasing. If an Aboriginal or native community would

- like to be part of the process of responding to a 1 tender, we would go to some lengths to organize our 2 3 tenders in ways that they would be accessible and manageable. So that's just one example I will speak 4 5 to. 6 Q. I understand the example. But if I can I will explain why I don't see that you have 7 8 answered it. 9 It seems to me that there is a 10 difference, I will put it to you in this fashion. 11 seems to me there is a difference on the one hand
 - difference, I will put it to you in this fashion. It seems to me there is a difference on the one hand between Hydro approaching a sector of society, analyzing them, and attempting to find out how their position could affect what Hydro intends to do on the one hand, as opposed to a situation in which Hydro approaches that sector of society, that group of people, asks them what they want to do with a particular resource, and then tries to figure out how that impacts upon Hydro's goals.

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Do you see what I am saying?

A. Yes, and I suggest that there is another option as well, and that is that the native community approaches Ontario Hydro and says, in the area of business in which you operate these are the kinds of things that interest us.

1 Q. All right. I suppose the distinction 2 between what I have described and what you have 3 described is a question of initiative. 4 Α. Maybe. 5 0. Could be? 6 Α. It could be. 7 Q. It seems to me that if the native 8 people are to take the lead role, that's the gist of 9 the policy, the principle that's set out here, then 10 that means that they should determine when they wish to 11 proceed with things, if they wish to proceed with 12 things. 13 Do you see what I am saying? That there 14 a distinction between Hydro --15 THE CHAIRMAN: I think if you ask her 16 questions and not express your own views on things. 17 MR. ALLISON: My question, I suppose, Mr. 18 Chairman, is for response to that view. 19 Q. Do you understand my view, first of 20 all? If I can start there. 21 MS. QUINN: A. Yes, I do. 22 Q. Can you respond to that then, give me 23 your view? 24 A. I think what you are saying is 25 legitimate. I can think of an example, and that has to

1	do with non-utility generation and I think there has
2	been some interaction and there has been some interest
3	expressed on the part of Aboriginal groups.
4	But I also have to remind you of the
5	corporation's mandate which is also something that we
6	are asked to observe and that authority comes to us
7	from the province, the same government that provides
8	this policy that Mr. Moran and has referred to. So I
9	would suggest that Ontario Hydro is responsible for
10	taking some initiatives and at the same time so does
11	this policy suggest that another group in particular in
12	this case native communities would take some
13	initiative.
14	Q. As your evidence went on in
15	cross-examination with respect to Mr. Moran, from the
16	pages that I have referred you to onward, I got the
17	feeling, I think you said it pretty articulately, that
18	Hydro would welcome opportunity for a community impact
19	agreement at a site-specific stage?
20	A. Yes, that's the case.
21	Q. So that's a direction in which you
22	haven't gone, haven't been able to go so far, that
23	Hydro would like to go; am I right?
24	THE CHAIRMAN: I think she just said yes
25	to that, so let's go on to compthing also

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to that, so let's go on to something else.

1	MR. ALLISON: Q. If my submission to
2	this Board was that that ought to be a condition to any
3.	approvals, would Hydro be opposed to that condition?
4	THE CHAIRMAN: Well again, this is a
5	site-specific matter. It has got nothing much to do
6	with the planning considerations that we have to
7	consider at this hearing.
8	MR. ALLISON: I suppose at this hearing
9	if approvals are given, Mr. Chairman, and the
10	submission of my client was that any approvals ought to
.1	be on the condition of the community agreement, I
.2	wanted to know whether that's an issue at this hearing.
13	THE CHAIRMAN: Well, I suppose it
4	conceivably could be a condition.
.5	MR. ALLISON: Q. Ms. Quinn, is that an
.6	issue?
.7	MS. QUINN: A. I concur with our
.8	Chairman, if I may, with due respect.
.9	Q. It's only safe. (Laughter)
20	A. I guess I am asking, is Hydro opposed
21	to that condition?
22	A. It would be very site-specific. I
23	think one would have to
24	Q. No, no. I'm sorry to cut you off,
!5	but I am suggesting that if approvals are granted by

1 this Board at this hearing --2 A. I see, I'm sorry. 3 Q. And my client submits that any 4 approvals granted should have as a condition to that 5 approval that there must be a community impact 6 agreement --7 MS. PATTERSON: Do you mean a community 8 impact agreement for each individual site later 9 approved? 10 MR. ALLISON: Yes. 11 Q. You are seeking approval for 12 development of attainable potential; correct? 13 MS. QUINN: A. Yes, that's right. 14 Q. And if my position is that if you get that, it should be on the basis that there must be a 15 16 community impact agreement at specific sites, are you 17 opposed to that condition I am asserting or are you 18 not? 19 A. In principle I am not. That's what 20 we will strive for. 21 MR. FLOOK: A. If I may just comment 22 though. Such an imposition would be fraught with 23 problems in perhaps legal interpretations of control or 24 influence and trying to do it in a very general area as opposed to very site-specific, and you could create 25

1 more problems than you solve in doing such a thing. 2 MS. QUINN: A. I should also point out 3 that community impacts agreements can be signed with a variety of affected parties. And you are making a very 4 5 general statement and I have given you a very general 6 answer. 7 Q. That is fine. We will deal with that 8 another day. 9 A. Hopefully at a site-specific hearing. 10 (Laughter) 11 0. Then too. 12 I would like to outline a position, a 13 philosophy, and I am going to ask, Ms. Quinn, I am 14 going to ask you whether or not you understand the 15 concern that this philosophy leads us to. So I am 16 going to try to explain very briefly what the 17 philosophy is, I am going to ask you if you understand 18 the concern. 19 In the order to explain is as briefly as 20 we can, I am going to make reference to some material. 21 I have provided copies to the clerk. 22 Mr. Chairman, if they can be introduced 23 as the next exhibit. 24 THE REGISTRAR: No. 412.

25

1	EXHIBIT NO. 412: Excerpt, "As Long as the Rivers Run: Hydroelectric and Native
2	Communities in Western Canada", by James
3	B. Waldram.
4	MR. ALLISON: Q. The materials so
5	provided are an excerpt from the text entitled: "As
6	Long as the Rivers Run: Hydroelectric Development in
7	Native Communities in Western Canada", by James
8	Waldram, University of Manitoba Press, I believe it is
9	1988.
10	I am going to plagiarize Mr. Waldram in
11	terms of describing the philosophy, as it were.
12	MS. HARVIE: May I suggest, Mr. Allison,
13.	that you provide the witnesses with copies if you have
14	given them to the Board?
15	THE CHAIRMAN: You are going to be
16	reading from this document, I take it.
17	MR. ALLISON: I am going to read from it
18	a statement and suggest it is a philosophy of my client
19	and try to determine or test whether or not Ms. Quinn
20	and the rest of the panel understands the issue. I
21	don't think we will agree to resolve the issue, but I
22	want to make sure that we understand what the issue is.
23	Q. I make reference to page 4 wherein
24	Waldram sets out the argument that I will adopt.

[3:20 p.m.]

1	"It is my argument that the
2	philosophies and procedures operating
3	during the nineteenth-century
4	treaty-making and scrip commissions are
5	once again evident in the efforts of the
6	hydroelectric developers in dealing with
7	existing Native claims, legal or moral,
8	to these water resources. The attitude
9	of the Treaty makers has remained intact
10	through the years; and the processes
11	whereby governments and public and
12	private electrical power utilities have
13	secured the right to construct hydro
1.4	facilities, and thereby alter and
15	frequently destroy the livelihood of many
16	Indian and Metis peoples represents a
.7	continuity with the past. The processes
.8	are similar: a resource is identified as
.9	valuable to the general society, and the
20	Natives who are using that resource must
21	be convinced that they should surrender
22	it for the "common good." Negotiations
23	frequently, though not always, ensue and
4	agreements are occasionally signed.
5	Native communities may even be relocated

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1	to make room for the development. Once
2	the resource has been secured and the
3	Native people have been appeased, they
4	are largely ignored. Poverty and
5	hardship frequently result, as the people
6	discover they can no longer make a living
7	from the resources, and particularly the
8	waterways, of their traditional
9	territories."
10	Now, assume with me for the moment that
11	my clients adopt this philosophy, this view of
12	historical development in this country with respect to
13	their peoples.
14	We have been through the process that
15	Hydro has used in this DSP and the steps that you are
16	proposing to take.
17	Ms. Quinn, do you see the concern?
18	MS. QUINN: A. Yes, I see it, and I
19	understand the reference here to Native people feeling
20	that they have been appeased or later ignored.
21	I should have thought our reference to
22	impact agreements which are legal and binding would
23	have at least helped to see that we are trying to do
24	things differently.

Q. All right. I acknowledge that. Do

25

you see the rest of the philosophy, the concern that there is underway or could be underway an effort to persuade the Native people that that which is important to them must be sacrificed for the common good? Do you see the concern that I have been trying to get at? A. Yes, I understand it. I also think that's why one of our exclusion criteria speaks specifically to an area related to the concerns of Aboriginal people.

We are trying to proceed in a way that respects these matters and history, and we feel like we are on new ground, we are trying to learn as we go, and I think that in many ways we needed guidance from others. We need guidance from government. We need guidance from Aboriginal people directly.

So while we are not able to do studies we try to keep other doors of communication open with Aboriginal people, and we try to learn, as I say, as we go, and if in the end, as members of this Panel have acknowledged, specific projects are not acceptable or have, as you would say, an intolerable impact, so be it. The projects may not proceed.

They are being brought before an Environmental Assessment Board and we would hope that everybody observes that as due process.

1 MR. ALLISON: Those are my questions, Mr. 2 Chairman, of this Panel. 3 THE CHAIRMAN: Thank you, Mr. Allison. Mr. Mark, are you next? 4 5 MR. MARK: Yes, Mr. Chairman. 6 THE CHAIRMAN: Perhaps we will take the 7 afternoon break, and then we will start in 15 minutes? 8 MR. MARK: Very well. 9 THE REGISTRAR: The hearing will take a 10 15-minute recess. 11 --- Recess at 3:30 p.m. 12 ---On resuming at 3:48 p.m. 13 THE REGISTRAR: Please come to order. This hearing is again in session. Be seated, please. 14 15 THE CHAIRMAN: Ms. Harvie? 16 MS. HARVIE: I just had a very brief comment, Mr. Chairman, arising out of Mr. Allison's 17 18 cross-examination with regard to terms and conditions, and while I thought it over at the break I tried to 19 contact him in the hallway and he seems to have 20 21 departed, but I did feel that we should put our remarks 22 on the record. 23 Given the interest, Mr. Allison's 24 interest at any rate, in asking witnesses about terms

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and conditions of approval I just wanted it noted that

25 ...

- our understanding is that we will certainly be
 discussing terms and conditions of approval at the
 appropriate time, presumably after all our
 evidence-in-chief has been presented and quite possibly
 later than that, and a process will be put in place for
 the identification and resolution of appropriate terms
 and conditions.
 - My experience has been on the Timber

 Management hearing, and there is obviously a lengthy

 and programs convoluted process for the resolution of

 terms and conditions there, but it's certainly been the

 subject of a great deal of discussion and debate

 amongst the parties and their counsel.

I would imagine if parties were successful in resolving terms and conditions it would be put to you for your consideration, and to the extent that we were unsuccessful legal argument would be made.

Whatever witnesses may say in crossexamination about terms and conditions, I want it
understood that this in no way necessarily binds the
Corporation with respect to any position that we may be
taking in those discussions.

Thank you.

THE CHAIRMAN: Thank you, Ms. Harvie.

25 Mr. Mark?

1	MR. MARK: Thank you, Mr. Chairman. Good
2	day.
3	Panel, my name is Mark. I represent the
4	Municipal Electric Association for those of you whom I
5	haven't met already. With me is Dr. Doug Logan.
6	Mr. Chairman, just before we get underway
7	I have a very small package of materials consisting of
8	a mixed package of interrogatory responses and I
9	believe some other documents.
10	For convenience, if and I
11	anticipate although I am not certain, I anticipate
12	referring to most of them, and for convenience perhaps
13	we could mark them as an exhibit.
14	THE CHAIRMAN: Just so everyone has
15	cross-references we will give them numbers.
16	MR. MARK: Very well.
17	THE REGISTRAR: 413. Yes, that's right.
18	EXHIBIT NO. 413: Mr. Mark's Interrogatory
19	Responses.
20	CROSS-EXAMINATION BY MR. MARK:
21	Q. Mr. Snelson, perhaps I could start
22	with you on the subject of the demand/supply planning
23	process itself and in particular on the role hydraulic
24	plays.

I take it from your direct evidence and

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	(55 500)
1	the written evidence there is no dispute, is there, Mr.
2	Snelson, that Ontario Hydro views hydraulic as the
3	preferred supply option?
4	MR. SNELSON: A. It views hydraulic as a
5	preferred supply option.
6	Q. Well, as I understood the prefiles
7	and certainly some of the evidence given previously
8	today, I think to Mr. Allison, amongst technologies you
9	have available for new supply capacity it is to be
10	preferred; it is your priority development, is it not?
11	A. It is a preferred option, but there
12	are other things such as cogeneration which are
13	probably equally preferred.
14	Q. As between hydraulic and your major
15	supply options certainly fossil and nuclear hydraulic
16	is preferred?
17	A. Yes.
18	Q. And you have outlined in your direct
19	evidence, and we don't have to go through it in detail,
20	but it is preferable because it's renewable? That's
21	one of the reasons?
22	A. That's one of the factors, yes.
23	Q. And indigenous?
24	A. Yes.
25	Q. Relative to those, certainly at least

fossil, it is considered environmentally preferable 1 2 from an emissions point of view? 3 A. From an air emissions point of view, 4 yes, subject to local considerations. 5 Q. And with respect to its operational 6 characteristics, as I understand your evidence its 7 suitability for peaking purposes makes it particularly 8 attractive? 9 A. It is suitable for peaking purposes, 10 and that is a useful addition to a system which is 11 largely thermal generation. 12 Q. Am I correct, Mr. Snelson, that when 13 you presented the Demand/Supply Plan report you presented a plan in which you had already addressed and 14 15 satisfied yourselves that the proposed resource options 16 reflected the benefits we have spoken about and 17 appropriately balanced them against what you had 18 identified as the environmental impacts of the 19 hydraulic option? 20 That was certainly our view. Α. 21 Q. And would I be correct in assuming 22 that based on all the evidence you had available you 23 considered that you could satisfactorily mitigate the 24 environmental impacts sufficient to justify proceeding

with the 18 sites that you proposed?

1	A. We believed that was probably the
2	case, though we had a greater degree of assurance on
3	some of those sites than some others.
4	Q. But certainly you passed your own
5	level of analysis and you did this balancing and
6	concluded that it was appropriate to put these forward,
7	having regard to the benefits on the one hand and the
8	impacts environmentally on the other?
9	A. As I have said, that was our
10	judgment, but that was based to some degree on
11	different levels of information for different sites.
12	So some sites where a lot of work had been done we had
13	a high degree of confidence. In other sites then it
14	was a somewhat lesser degree of confidence.
15	Q. As I said in my initial question,
16	based on the evidence you then had available?
17	A. Yes.
18	Q. And no doubt, Mr. Snelson, when you
19 .	brought your plans forward you well knew that there
20	would be opposition to many aspects of your plan, each
21	of hydraulic, nuclear and fossil?
22	A. Yes.
23	Q. It came as no surprise or secret to
24	you that there were going to be numerous interest
25	groups who had some rather grave concerns about each of

1	those technologies and would be expressing those views
2	here?
3	A. That is correct.
4	Q. And in the end, I gather, Hydro was
5	quite content to leave it to this Board to review the
6	technical, professional and value judgments you made
7	and come to some independent determination as to
8	whether the plan you have put forward is an appropriate
9	balancing of the benefits and the impacts that we have
10	just talked about before?
11	A. Yes, I understand that to be the
12	function of this Board.
13	Q. And we know that in September of this
14	year we had approximately 1,500 megawatts of hydraulic
15	capacity removed from your planning numbers; correct?
16	A. Are you referring to the
17	co-planning
18	Q. Yes.
19	Arequirements in the Moose River
20	Basin?
21	Q. Yes.
22	A. Yes.
23	Q. We have had quite a bit of discussion
24	about it. I don't want to go over much of it in
25	detail, but let me ask you a couple of other questions

1	about it. Were there any consultations with any third
2	parties by Ontario Hydro in coming to that decision?
3	MS. QUINN: A. There is a certain part
4	of the decision that none of us have been privy to. It
5	was taken at a very senior level and we don't know
6	whether or not there were third parties involved, as
7	far as I know.
8	Q. You say part of the decision, Ms.
9	Quinn. It's a relatively simple one not to go ahead
10	with those sites without co-planning agreements. Now,
11	when you say a part the decision, do you mean part of
12	that or are you talking about part of the process?
13	A. I am really saying that the decision
14	was taken at a very senior level in the corporation.
15	Q. To the best of your knowledge, Ms.
16	Quinn, was there any consultation with let's say your
17	customer groups about the wisdom of the decision to
18	remove those sites for planning purposes?
19	A. Not that I know of. I may not know,
20	though.
21	Q. Was there any discussion with
22	interest groups who have expressed concern about the
23	environmental impacts of the other resources which may
24	be called upon to replace this capacity, such as
25	nuclear or fossil? Any discussion with those interest

1	groups about the wisdom of the decision that was taken?
2	A. Not that I am aware of.
3	Q. Am I correct, Ms. Quinn, that
4	whatever else may have happened or motivated that
5	decision these sites were not removed for planning
6	purposes because they ran afoul of any of the
7	exclusionary criteria which you identified in your
8	evidence-in-chief?
9	A. Sorry, could you repeat that?
10	Q. These sites, the Moose River Basin
11	sites, have not been removed because they ran afoul of
12	any of the exclusionary criteria which you have talked
13	about so much in your evidence in chief and in response
14	to cross-examination?
15	A. The other exclusionary criteria?
16	Q. Yes.
17	A. That's right.
18	Q. Well, you say other. Were these
19	removed pursuant to some exclusionary criteria that the
20	corporation has established?
21	THE CHAIRMAN: I think their evidence
22	indicates it is an exclusionary criteria of its own,
23	the elimination of Moose River Basin.
24	MS. QUINN: Yes, that's correct.
25	THE CHAIRMAN: That's one of the numbered

1	exclusionary criteria.
2	MS. QUINN: I believe it's our seventh
3	exclusionary criteria. Thank you.
4	MR. MARK: Q. And what criteria were
5	applied in the determination to remove those from the
6	plan?
7	MS. QUINN: A. I'm sorry, I don't have
8	it handy, but I believe that in Mr. Campbell's
9	announcement to this Board by and large the reasons
10	were given, and I could certainly find that reference
11	for you but I just don't have it handy.
12	The date was September 24th.
13	MR. SNELSON: A. It's Volume 63, and I
14	believe it starts on page 11183.
15	Q. Well, let me read you the passage
16	from there, Ms. Quinn. Then perhaps you can help me,
17	and what I think is the relevant passage, where it
18	says:
19	The changing relationship between the
20	Ontario government and the First Nations
21	of Ontario is evidenced by the Statement
22	of Political Relationships signed in
23	August of this year and the changing
24	relationship between Hydro and the
25	Aboriginal groups have been important

1	factors in this evolution. The Board
2	will also be aware of recent
3	organizational changes at Hydro which
4	place a higher level of priority and
5	commitment on Aboriginal and Northern
6	Affairs. All of this together with the
7	need for the active involvement of
8	Aboriginal groups affected has led to a
9	, re-examination of Hydro's approach to
10	planning in relation to the Moose River
11	Basin. As a result, Hydro is officially
12	suspending planning for the Moose River
13	Basin hydroelectric potential beyond the
14	redevelopment and extensions of the
15	Mattagami complex until a co-planning
16	process for the other projects has been
17	developed and agreed to by the affected
18	Aboriginal groups.
19	Now, Ms. Quinn, that tells us what the
20	background was and what happened. Can you assist me as
21	to what criteria were applied by the corporation in
22	determining that suspension until there was a
23	co-planning agreement was appropriate?
24	MS. QUINN: A. You mean, what are the
25	criteria behind the criterion?

1 0. Well... 2 I'm sorry, I am perhaps being Α. 3 disrespectful. (Laughter) 4 Q. We have heard that -- as I took Mr. Campbell's comments, Ontario Hydro had a greater 5 6 commitment to consideration to the concerns and 7 interests of the Aboriginal groups? 8 A. Yes, that's correct. 9 What we see in the result is that the 0. 10 planning has been suspended until there is a 11 co-planning agreement? 12 Α. That's correct. 13 Somewhere along the way somebody 0. 14 presumably came to some determination that the concern 15 with the Aboriginal interests justified removing of these sites from the plan, and I am interested in that 16 17 process and what factors were weighed and considered in determining that the withdrawal of those sites was an 18 19 appropriate response to the concern. 20 MR. SNELSON: A. I am not sure we can 21 add very much, Mr. Mark, to the reasons that have been 22 given. The reasons are there, and I don't think it is 23 much more complicated than was explained by Mr. 24 Campbell.

Q. As far as you are aware, Mr. Snelson,

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1 there was no re-examination or reassessment, for 2 example, of the environmental impacts of these sites 3 which changed your view as to the relative merits, the relative planning merits of the benefits versus the 4 5 impacts? 6 Not to my knowledge. Α. 7 Is it fair to say, Mr. Snelson, that 8 it was in the end essentially a political decision and not one based on any of the other criteria and 9 10 evaluative techniques that you have identified for your 11 Hydraulic Plan generally? 12 It was a management decision. 13 Yes, I understand it was a management 0. 14 decision, Mr. Snelson. I think you have been quite 15 careful to point that out. (Laughter) 16 But I couldn't particularly associate or not associate the word political with it. 17 18 Q. You are not aware of any factor which 19 influenced this decision other than the corporation's 20 commitment to recognition of the existence of the 21 political entity beginning to be recognized; that is, 22 the First Nations? 23 [4:05 p.m.] 24 There is the information that was A. 25 available on the sites that have been available for

- sometime, and the only new factor I know of is the one 1 2 that you mentioned. 3 Q. Ms. Quinn, do I understand your earlier testimony to be to the effect that the new 4 5 perspective of Ontario Hydro with respect to these sites which have now been taken out in fact predated 6 7 the statement of political relationships which was executed some months ago by the government and the 8 9 First Nations? 10 MS. QUINN: A. The statement of 11 political relationships I believe was adopted by the 12 provincial government and the First Nations in August 13 and our announcement to this Board was in September, on 14 the 24th. 15 Q. I had understood from your evidence, 16 it may have been in response to some questions from Mr. 17 Allison, I forget, I thought you made the point that Ontario Hydro had taken its initiative or was at least 18
- A. Our Corporate Aboriginal relations
 guidelines were adopted about a year before the
 government signed this particular agreement and that
 may be the reference.

19

20

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Q. All right, perhaps it is.

was a long way down that road before the government

entered into the statement of political relationships.

1	Let me ask you this then, Ms. Quinn, do
2	you know whether the Ontario government was consulted
3	or canvassed with respect to the decision taken by
4	management to excluded these sites?
5	A. I don't really know. I would not be
6	surprised if that's the case, but I can't say that it
7	is the case. I don't really know.
8	Q. Can anybody on this panel be of any
9	assistance?
10	MR. SNELSON: A. Can you repeat the
11	question?
12	Q. Yes. I would like to know whether
13	the Ontario government was consulted or canvassed with
14	respect to the decision which was ultimately taken to
15	suspend planning on the Moose River Basin sites?
16	A. I don't know the answer to that
17	question.
18	Q. Would it be possible to obtain that
19	information?
20	MS. HARVIE: Well, Mr. Chairman, I don't
21	know why it's particularly relevant. The submissions
22	of Mr. Campbell make it plain the reasons why we
23	suspended planning. There are four reasons and they
24	are set out quite clearly in the transcript.

----Whether we canvassed government or not,

1	what difference does it make. These are the reasons
2	that management has relied upon in making their
3	decision.

22 1

MR. MARK: If I may, Mr. Chairman. With respect, I think it is apparent over the past few months anyway that there are a number of critical decisions being made regarding this utility, some of which directly involve the very issues which at one point you were asked to consider.

One of the issues which ultimately in our submission is going to have to be addressed is where the policy direction firstly does come from and, secondly, where it ought to come from and what are the appropriate boundaries between government on one hand and the electric utility on the other hand. And in that respect, Mr. Chairman, just with some of the other decisions we have seen such as demand management and non-utility generation, in our view the relationship and the direction from which initiatives are coming is in our view significant.

MS. HARVIE: The distinction I would draw with those initiatives, Mr. Chairman, is that it was quite clearly Hydro's evidence that there was government involvement in those decisions it has not been our evidence that there was. And I think that the

1	record stands for itself the reasons that were relied
2	upon by management, and I think where there is
3	government involvement it's been clearly placed on the
4	record.
5	MR. MARK: If I can take it from that,
6	Mr. Chairman, that this was not taken with government
7	involvement, then we can leave the matter and proceed.
8	MS. HARVIE: No, you cannot.
9	THE CHAIRMAN: I think it is well-known
10	that the relationship between the proponent in this
11	case and the Government of Ontario is a matter of
12	interest to a great number of people, including your
13	client, who have been actively involved in the debate
14	about the amendments to the Power Corporation Act, and
15	this is all tied into that and I recognize that.
16	I am not quite sure whether that
17	particular issue, important as it is, should be
18	imported into this hearing.
19	We take what the proponent says its
20	planning is, as they state it to us and as they amend
21	it from time to time, and we assess that. That's our
22	job. I don't think our job goes to that particular
23	issue.
24	I would suggest that is

answer to the question that you have asked, that the

25.

I would suggest that if you need the

1	appropriate party to answer that question of whether or
2	not consultation did occur would be the Government of
3	Ontario and they could answer it or not answer it as
4	they see fit.
5	MR. MARK: Very well. I will move on,
6	Mr. Chairman.
7	Q. Ms. Quinn, you have had some
8	discussion with previous counsel about the fact that it
9	was only some of your sites with respect to which
10	planning was suspended. Would it be fair to say,
11	though, that Ontario Hydro's commitment to respecting
12	the Aboriginal concerns and interests is likely to have
13	a more pervasive effect than just the decision we have
14	seen now of removal of the Moose River Basin sites?
15	It's going to the affect the way you conduct your
16	affairs and your relationships with the Aboriginal
17	groups; is it not?
18	MS. QUINN: A. Well, I think the growing
19	recognition of Aboriginal groups and treaty rights and
20	Aboriginal rights will affect us in some way and we
21	will be directed by governments both federal and
22	provincial in this regard.
23	At this point in time the only other
24	project that we are actively involved in is the Patten

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Post in the sense of we have submitted environmental

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1	assessments and really our case is by and large
2	submitted on those other environmental assessment
3	plants at the project level, and in that particular
4	case we are acting in response to an order-in-council.
5	Q. What about the other redevelopment
6	sites you have, you still have a lot of work to do in
7	working with the Aboriginal groups, do you not?
8	A. On redevelopments associated with the
9	SHARP program, do you mean?
10	Q. Well, let's take on the Mattagami
11	river.
12	A. Well, the environmental assessment
13	for the Mattagami Complex has been submitted.
14	Q. Yes.
15	A. And the only other place where we
16	have considered a potential exists is really Cypress
17	Falls on that particular river.
18	Q. And is your evidence that your
19	approach to these environmental assessment hearings and
20	how you might sit down and resolve issues which will
21	continue to arise with the Aboriginal groups is not
22	going to be affected by the existence of the new
23	corporate policy?
24	A. Well, we are really on hold. We
25	don't really know what the future is going to bring and

1 I guess that's why we have considered those sites beyond the Mattagami Complex to be treated as an 2 3 exclusion criteria. 4 Q. Is it fair to say, Ms. Quinn, in 5 general your ability to plan and see the future with 6 respect to hydroelectric development in general is much more uncertain today than this was, let's say, two or 7 8 three years ago? 9 That is a very general question. Α. 10 0. Well, you have certainly introduced 11 in the past two years or so a rather strong commitment 12 to co-operation with and respect in regard for 13 Aboriginal concerns which is a new direction for 14 Ontario Hydro, would you agree? 15 A. It's a direction that's been growing, 16 that's right since the early 80s. 17 Q. I don't mean to say it's not an 18 important and appropriate objective, and as laudable as it is, would you not agree with me that it is bound to 19 introduce some greater uncertainty in your ability to 20 21 plan and proceed with your hydraulic program in general 22 than existed before you developed this new policy? 23 MR. SNELSON: A. I think that is a very 24 difficult question to answer. One of the intents of

working with other groups is to work in the direction

1	of obtaining agreement, and it may be in the absence of
2	these policies then things were more uncertain than
3	they are with these policies.
4	Q. Before, if I understand it, Mr.
5	Snelson, you would proceed even in the absence of
6	agreement with the opponents, if you thought it was
7	appropriate and you would then submit it to
8	environmental assessment, correct? That was the old
9	system?
10	A. My colleagues can comment more
11	specifically on the old system. I was talking more in
12	a general way.
13	But by going ahead without participation
14	that may get you through the first stage of the
15	process, but it may end up building pitfalls that you
16	will fall into at the next stage of the process. So I
17	am not sure that a policy of working closer with
18	affected peoples at early stages in projects might in
19	the long run, in fact, not be the way of reducing
20	uncertainty rather than increasing it. It may be that
21	you live in a bit of a fool's paradise if you move
22	ahead to a second stage without having some
23	Q. You will agree with me, Mr. Snelson,
24	that we are all in the position of having to speculate
25	greatly as to what the impact of this new initiative,

1 the new corporate policy is going to be on your ability to develop the hydraulic potential in an orderly and 2 3 timely fashion; is that not fair? 4 Α. That is true. 5 As a planner, Mr. Snelson, wouldn't 6 you agree with me that the introduction of this 7 corporate policy by definition introduces an additional element of uncertainty into your hydraulic planning? 8 9 A. It changes the way in which we do 10 hydraulic planning. And it may increase a greater perception of uncertainty. I am not sure that it 11 12 actually increases uncertainty. 13 Q. But you are not sure. 14 Α. That's right. 15 MS. QUINN: A. An observation is that it 16 perhaps acknowledges the uncertainty. The uncertainty 17 may well have existed before, but I think we are now 18 acknowledging it and we are trying to do something to 19 reduce it. 20 Q. We spoke before about some of the 21 benefits, Mr. Snelson, of the hydraulic potential you 22 have, the system benefits, and am I correct that 23 essentially in your evidence in chief what you say is you have determined that these benefits warrant 24

proceeding with hydroelectric development subject to

1	local site-specific impacts which may override the
2	benefits you get from hydraulic?
3	MR. SNELSON: A. That is correct.
4	Q. And it follows then from that, that
5	the site-specific assessment of the impacts is an
6	absolutely essential step in determining whether and
7	with respect to how much hydraulic potential we are
8	going to proceed with development?
9	A. Certainly the site-specific
10	assessments are vital to proceeding with specific
11	hydraulic developments.
12	Q. Well, we are agreed, Mr. Snelson,
13	that we look at hydraulic generically and we see all
14	these benefits, and the only reasons not to proceed
15	with it is if the local impacts are so great that they
16	override those benefits; correct? That's the equation.
17	A. In a general sense, yes. There is
18	the economics of course that have to be brought in as
19	well.
20	Q. Sure. But we have in the general
21	equation, we have got these benefits we have talked
22	about on one side, we have got the site-specific
23	impacts on the other side, and all we have and all we
24	will have throughout this whole hearing is the evidence
25	on the benefits side and we are not going to get the

site-specific costs side; isn't that right? 1

2 A. I do believe some of my colleagues

have given some evidence as to the general nature of 3

the types of effects that would be experienced at the

site-specific stage, that would be analyzed at

6 site-specific stage.

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7 Q. But you can't make the determination 8 of the value of that cost side of this equation unless and until we have the site-specific evidence; would you 9 10

agree with me?

A. It's not fully complete. The decision to proceed with particular sites is not completed until the site-specific process is over, and the attainable potential in some ultimate way is the sum of what happens at the site-specific hearings.

Q. I appreciate that, Mr. Snelson. But I thought we had agreed, and indeed I understood your evidence in chief was that we have these benefits of hydraulic that we have talked about, we have talked about indigenous, renewable, environmentally benign compared to some other options, and I understand are understood you to say that's why we go ahead with it unless there are local impacts which outweigh those benefits. Am I not correct? That's the situation we are in?

1	A. Providing the sites are economical,
2	yes.
3	Q. All right. And I am not suggesting
4	that it has got anything to do with the way that Hydro
5	had at one time hoped to present its case, but we are
6	now in the situation, are we not, where we simply in
7	hearing can't go very far towards answering or
8	ascribing a value to that local cost side of the
9	equation?
10	A. We have only been able to describe it
11	in very general terms.
12	Q. You have spoken in your evidence
13	about applying exclusionary factors to the potential
14	but you derived the potential, did you not, Mr.
15	Snelson, by essentially adding up the individual sites?
16	A. We derived the potential primarily by
17	working down from the total theoretical potential in
18	the province by excluding certain categories of sites.
.9	Q. But how do you get to the total
0	potential in the first place? Do you not add up the
21	individual potential sites that you identify?
2	A. The result of that process, because
3	the total potential is a specific set of sites, then
4	that exclusionary process does leave a set of sites

within the attainable potential.

1 We do recognize that some of our exclusionary categories are not total and that 2 3 consequently some things that have been excluded, considered to be excluded at this time with better 4 information may become included again, and we also 5 6 recognize that some of the things that are within the 7 attainable potential, some of the sites within the attainable potential may for some reason fail to go 8 9 forward to actual construction. And so I don't believe 10 it is appropriate to make a total one-to-one comparison 11 between a set of sites and the attainable potential. 12 0. What you are saying, if I understand 13 you, Mr. Snelson, is that even if some of the sites 14 which comprise the 1,400 to 1,800 megawatt range you 15 have identified fail for some reason, you believe you may have an adequate number of other sites which may 16 17 become more economic or feasible for other reasons in 18 the future? 19 A. Yes. 20 You will agree with me that trying to Q. 21 make any prediction or forecast with respect to how 22 much, if any, of those sites which are presently

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excluded is an even more perilous exercise than trying

to make a prediction of how many of the identified

attainable sites are going to proceed through to

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fruition?

A. For any particular excluded site it
would be very difficult to make a prediction with any
confidence that that particular site might become
included.

I think it is a moderately high probability that somewhere or other there will be an excluded site or more than one excluded site that will come into attainable potential for one reason or another within the next 20 to 25 years.

Q. Generally speaking, your best site-specific environmental information you have with respect to the sites you propose to proceed with today; is that fair?

A. Generally, yes.

Q. On a related topic, Mr. Snelson, you have already discussed this in some of your evidence before, in summary am I correct that you really must plan the exploitation of an entire river at one time and you can't proceed piecemeal with that planning?

A. That is a preferred approach.

Q. And if you want to adopt that preferred approach, would I be correct that delays or doubts or problems with one site on a river is likely going to have an impact on at least the timing of your

1 planning for the entire basin or river? 2 A. I don't know whether it is possible 3 to make that as a general statement. 4 [4:25 p.m.] 5 Q. Let's take a situation where you have 6 new or redevelopment of four sites on one river. On 7 one of those sites a very large question arises as to 8 whether you are going to get approval for that because 9 of the environmental assessment process or because of some consideration your management may be giving to 10 11 excluding that site. 12 Am I not correct that what Hydro is going 13 to do until that issue is resolved is essentially slow 14 down or suspend its planning because it doesn't know 15 what to do with the other sites? 16 A. It depends how closely linked the 17 developments are one to the other. 18 But the situation I have suggested is 19 certainly a very real possibility? 20 A. If the sites were closely linked, 21 then that would be a possibility. 22 The redevelopments on the Mattagami 23 River, those you would consider closely linked sites? 24 A. One to another, yes. 25 Q. And just continuing on this issue.

1	Mr. Snelson, do I understand your evidence correctly
2	that the economics of many of your hydraulic sites
3	depend upon the configuration of the rest of your
4	system at any particular point in time?
5	A. The economics of the hydroelectric
6	development depend on the system that they're going to
7	be connected to.
8	Q. So you really have to plan your
9	hydraulic developments and the development of the rest
10	of your system in tandem?
11	A. Yes.
12	Q. Mr. Snelson, I just want to talk for
13	a moment about another value of the hydraulic potential
14	which has been mentioned briefly, I just want to
15	explore it a little bit, and that is the spinning
16	reserve that it provides to you. It does provide that
17	benefit, does it not?
18	A. Yes.
19	Q. And spinning reserve is the reserve
20	which is already synchronized to your system and can be
21	called upon virtually instantaneously if you require to
22	call on the reserve?
23	A. That is correct.
24	Q. And hydraulic, as I understand it,
25	Mr. Snelson, essentially gives you cost-free spinning
	•

1 reserve? 2 A. Yes. The hydraulic units that are 3 connected to the system would normally be operated at 4 their maximum efficiency point, which is likely 80 to 5 90 per cent of its maximum output, and the remaining 6 output is available for use as spinning reserve if 7 required and is a virtually free source of spinning 8 reserve. 9 The optimal efficiency is at this 80 Q. 10 to 90 per cent level, even without considering the 11 value of the free spinning reserve? 12 Α. That is correct. 13 All right. And would I be correct, 14 Mr. Snelson, that having to replace -- I'm sorry, let 15 me go back a moment. Am I correct that you are obliged 16 by your agreement with other utilities in the area to 17 maintain a certain percentage of your reserve as 18 spinning or synchronized reserve? 19 Α. Yes. 20 0. What percentage is that? 21 A. I don't recall the percentage, and I 22 don't recall whether it was given in Panel 2 23 discussion. I believe Mr. Barrie generally did discuss

operating reserve, and spinning reserve is part of

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operating reserve.

1	Q. We can perhaps go back and look. But
2	in any event, would it be fair, Mr. Snelson, to say
3	that the savings to the corporation would certainly be
4	in the order of several millions of dollars on an
5	annual basis by having the spinning reserve from let's
6	say 1000 megawatts of hydraulic capacity?
7	A. I'm afraid I don't have those
8	figures.
9	Q. It would be a significant savings
10	though? We are not talking about an insignificant or
11	trivial sum?
12	A. It is probably not a trivial sum, but
13	I don't really have a figure to quote for you.
L 4	Q. Mr. Snelson, let me turn in the time
15	remaining to some of the perhaps what I would call more
.6	technical issues associated with your Hydraulic Plan.
.7	I want to turn first to the subject of
.8	load meeting capability. That's a term you are
.9	familiar with, Mr. Snelson?
20	A. Yes.
1	Q. Am I correct that load meeting
2	capability is really an expression of how the amount of
13	available water or energy affects the installed
4	capacity of the unit at a hydraulic site?
5	A. The term load meeting capability is

1	more general than just to hydraulic units.
2	Q. I appreciate that.
3	A. The general concept is that it is the
4	amount of firm load, additional firm load that the
5	system can reliably supply because of the addition of
6	this particular source of generation to the system.
7	So, for instance, if there is a 100
8	megawatt unit added to the system, accounting for all
9	the imperfections of that unit, it may be that it's
10	only 80 megawatts that the additional firm load can be
11	supplied because you have added that unit to the
12	system.
13	Q. And bringing it down to hydraulic,
14	the largest factor in moving from your installed
15	capacity to your load meeting capability would be the
16	availability of water or energy?
17	A. In most hydraulic units, hydraulic
18	stations, in particular hydraulic peaking stations,
19	that's the case.
20	Q. In order to determine your load
21	meeting capability for a hydraulic unit am I correct,
22	Mr. Snelson, that you must know the hours of operation
23	of that unit?
24	A. You have to know some information

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about the amount of energy it can produce compared to

1	the amount of energy if it was operating flat out, and
2	that can be expressed as having enough water to operate
3	for so many hours per day and that may be the measure
4	you were referring to.
5	Q. Isn't that typically the way you go
6	about determining your load meeting capability for
7	your
8	A. We often express it that way.
9	Q. And when you derive the energy number
10	that you have spoken about do you derive that from
11	median stream flow conditions or adverse stream flow
12	conditions?
1.3	A. I believe it's median.
14	Q. And by using the median, that means
15	you assume a stream flow that will be present 50 per
16	cent of the time or more?
17	A. Yes, that's correct.
18	Q. And you don't then take into account
19	or give any weight to the times when the flow may be
20	below the median, which could be as much as 50 per cent
21	of the time?
22	A. Yes, that is correct.
23	Q. Is one of the uses of the load
24	meeting capability number, Mr. Snelson, to calculate
25	the levelized avoided costs?

1	A. Yes.
2	Q. One of the things you do with your
3	levelized avoided cost of course is to determine the
4	cost/benefit ratio for your various resources?
5	A. Yes.
6	Q. And what you then do with the
7	cost/benefit ratios of course is to rank your
8	resources; correct?
9	A. The cost/benefit ratio is used as an
10	indicator of the relative economics of different
11	hydraulic sites.
12	Q. And hydroelectric sites versus other
13	resources as well?
14	A. It is a first indicator of that.
15	Q. What other indicators are there?
16	A. Well, the reason I called it a first
17	indicator is that it is a comparison of the costs of
18	hydroelectric development to the cost of other
19	resources that are considered to be incremental in the
20	system incremental cost calculations. It isn't a
21	comparison against any particular other option, nor any
22	single other option.
23	Q. But in determining what your next
24	increment of supply is going to be you primarily have
25	regard to those cost/benefit ratios?

1	A. It is the key economic indicator we
2	look at in determining the economics of hydroelectric
3	development.
4	Q. Fair enough. And you would agree
5	with me, Mr. Snelson, therefore, that it is important
6	that the levelized avoided costs which go into those
7	ratio calculations be themselves calculated on a
8	consistent basis as between the various supply options
9	you are looking at?
10	A. That is correct.
.1	Q. And we have had some discussion about
.2	the calculation of your levelized avoided cost for
.3	hydraulic. Let's look at thermal for a moment.
. 4	You also use your load meeting capability
.5	number to determine your levelized avoided cost for
.6	thermal?
.7	A. I don't believe that we use levelized
.8	avoided cost in thermal calculations.
9	Q. You come up with a cost/benefit
0	ratio, do you not?
1	A. No.
2	Q. So how do you rank them when you look
3	at the relative economic benefits as you have indicated
4	a moment ago? What do you compare?
5	A. Well, we tend to do a calculation of

1	levelized unit energy cost, which is the cost of the
2	option not its valve, of various options to determine
3	relativity.
4	I think we are getting somewhat beyond
5	Panel 6 right now.
6	Q. I want to come back to the hydraulic
7	issue.
8	A. And then we tend to not do an avoided
9	cost calculation but rather to do systems simulations
10	of a number of plans with different amounts and
11	different proportions of thermal units.
12	Q. Is the determination of the load
13	meeting capability of the various units you could be
14	considering, whether they're hydraulic or thermal, is
15	that an element which you have to have accurate to go
16	ahead and do this exercise?
17	A. We don't specifically in those
18	calculations identify a load meeting capability of
19	different fossil generating units, nuclear generators.
20	MR. MARK: Your indulgence, Mr. Chairman.
21	Q. You do, though, Mr. Snelson,
22	calculate the load meeting capability for your thermal
23	units?
24	MR. SNELSON: A. We have done it from

25

time to time, yes.

1	Q. Is it not something that you do for
2	any purpose in system planning?
3	A. It is a calculation that we do as we
4	see the need to do it.
5	Q. Do you use it for, for example,
6	calculating the avoided cost for purposes of analyzing
7	the non-utility generation options?
8	A. Yes, we do use it for that purpose.
9	Q. And when you calculate the load
10	meeting capability for thermal am I correct that what
11	you try to put into the analysis is all the operating
12	constraints on the unit so you can determine exactly
13	what the difference is between the installed capacity,
14	as you will, and that unit's ability to meet an
15	increment of load?
16	A. For non-utility generation we take a
17	very generous calculation of assuming the load meeting
18	capability to be one minus the forced outage rate.
19	Q. And the forced outage rate is your
20	compilation of the factors which could result in the
21	unit not operating from time to time?
22	A. Due to forced outages, yes.
23	Q. And going back to the hydraulic
24	situation, am I correct that when you calculate the
25	load meeting capability for that you are not factoring

- 16005
- in or including any recognition for the perhaps up to
- 2 50 per cent of the time when that unit isn't going to
- 3 operate at the median level that you have used because
- 4 of water conditions?
- 5 A. No, I think these are fairly
- 6 comparable in that the forced outage rate is the
- 7 expected amount of forced outage for a unit in a year,
- 8 and in half the years you would expect the forced
- 9 outage rate to in fact be higher than the forecast
- 10 forced outage rates, and in half the years you would
- 11 expect the forced outrage rate to be lower. So I see
- 12 these as fairly similar assumptions.
- 13 . Q. But do you use a median forced outage
- 14 rate? Is that what you are saying?
- A. Well, it is our best estimate of
- 16 forced outage rate. It is not our estimate of the
- 17 forced outage rate that we are very sure will be --
- 18 forced outage rates will be less than that. It is our
- 19 best estimate.
- Q. Another term that is used from time
- 21 to time with respect to hydraulic units, Mr. Snelson,
- 22 is the dependable peak capacity. You are familiar with
- 23 that?
- 24 A. Yes.
- Q. And when we talk about 1,400 to 1,800

	· · · · · · · · · · · · · · · · · · ·
1	megawatts of hydraulic potential, are we talking about
2	dependable peak capacity or some other unit of
3	measurement of capacity?
4	A. We would expect the dependable peak
5	capacity to be close to that figure.
6	Q. And what the concept dependable peak
7	capacity tells us is the capacity which is available a
8	certain percentage of time where that percentage is one
9	
	which you consider to be an appropriate threshold for
10	saying something is dependable. Do I have it correct?
11	A. Yes. We usually refer to it as 98
12	per cent dependable peak capacity, and that's the
13	capacity that will be equalled or exceeded 98 per cent
14	of the time.
15	Q. Do I take it from that that you have
16	made some determination that 98 per cent of the time is
17	the appropriate threshold for determining whether
18	something is dependable?
10	something is dependable?
19	A. This is a hangover from the time when
20	we were largely a hydroelectric system, and we have
21	maintained the distinction. I'm not sure that we have
22	particularly in recent years determined that 98 per
23	cent is the right level to select for dependable
24	capacity.

Q. And of course, when you have 98 per

1	cent what you are doing is you are excluding from your
2	assessment of what is dependable from this resource a
3	low flow water condition which could occur as much as
4	two per cent of the time?
5	A. Yes. This is a very small issue on
6	the hydraulic system as a whole with respect to
7	capacity.
8	If you were to look at Exhibit 365, which
9	is the Power Resources report - and you perhaps don't
10	need look it up - but table T-1 shows that for the
11	whole system, this is the existing system, that the
12	dependable peak capacity, the whole system, is of the
13	order of 6,729 megawatts and the median peak capacity
14	is in the order of 6,499 megawatts.
15	So for the whole system the difference is
16	about 230 megawatts, about 3 per cent.
17	Q. Have you made any assessment, Mr.
18	Snelson, of what the difference would be if you didn't
19	use 98 per cent but you used 100 per cent?
20	A. Well, I think 100 per cent is very
21	difficult to determine. From a set of statistics it
22	would be rather difficult to say we have got 100 per
23	cent confidence that this is the level that will always
24	be exceeded.
25	Q. No, but all you would do in any of

Q. No, but all you would do in any of

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- these calculations is you look at your historical flow.
- 2 You can just as easily say what 100 per cent is as you
- 3 can what 98 per cent is based on history?
- 4 [4:40 p.m.]
- 5 A. The peak capacity that's available at
- 6 a site depends relatively little on the flow. If you
- 7 can store the water at a site, then there will be
- 8 enough water to generate the peak output if it's
- 9 required.
- 10 It tends to vary more according to
- 11 conditions such as what are the expected levels of the
- water in the reservoir and the tailwater.
- Q. Where do you account for in system
- 14 planning the 2 per cent? Where do you make allowance
- for the 2 per cent of the time based on historical flow
- that you are not going to achieve what you have defined
- as your dependable peak capacity?
- A. It is a very small part of the
- uncertainties in planning which are not explicitly
- 20 accounted for.
- Q. Let me turn, Mr. Snelson, for a
- 22 moment to the incorporation of hydraulic generation
- into your LMSTM model, if I could.
- Do you, when you run your LMSTM
- 25 modelling, use high and low flow scenarios for

	naffis (cr mark)
1	hydraulic or just a median scenario?
2	A. I believe we just use a median
3	scenario.
4	Q. Why is that?
5	A. We are trying to calculate the
6	expected energy production of the system.
7	Q. Isn't one of the purposes of the
8	LMSTM to see what your production costs are under
9	various conditions?
10	A. We use the LMSTM model to estimate
11	the production cost of the system and the amount of
12	different quantities of fuels that will be used and it
13	is also useful for predicting the amounts of emissions
14	that are associated with consuming those fuels.
15	Q. And in the LMSTM model you build in
16	to it, for example, with your thermal units again, the
17	factors that affect the output from those units during
18	the planning period you are looking at; correct?
19	A. We build in the outage
20.	characteristics of those units.
21	Q. And you don't with coal units, for
22	example or nuclear units have a fuel constraint problem
23	that you are facing. You have assumed you don't.
24	A. That is correct.

25

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Q. But you do have a possible fuel

	Hallis (Cr Mark)
1	constraint problem with hydraulic; correct?
2	A. Yes.
3	Q. And it is one which you can't always
4	predict at the outset.
5	A. We use our predictions as to the
6	expected amount of water that is available.
7	Q. Those predictions you know from
8	experience can be in error.
9	A. Yes.
10	Q. And would it not in that
11	circumstance, Mr. Snelson, be appropriate when you
12	incorporate your hydraulic production into your LMSTM
13	modelling to at least run high and low flow scenarios
14	in addition to the median scenario to have some idea of
15	what the impacts will be on your production and
16	production costs in those fuel situations?
17	A. If we were examining that specific
18	question as to what would be the effect of different
19	water conditions, then we might do that. But there are
20	many such questions that you could investigate such as
21	what is the effect of higher or lower nuclear
22	availability which would be equally interesting to look
23	at.

Q. Let me turn to one final technical issue with you, Mr. Snelson. In the documents that I

1	have handed out - most of which you will be glad to
2	know because of your answers I haven't had to make
3	reference to - if you would turn, please, to what is
4	page 10, which is figure 13 from Exhibit 28. Am I
5	correct, Mr. Snelson, that what you are endeavouring to
6	do here is show the comparison of the levelized unit
7	energy costs for various hydraulic sites compared to
8	the thermal options you have for those same system
9	supply increments?
10	A. It's a comparison of the levelized
11	unit energy cost. We don't consider it all that
12	reliable as a comparison mechanism between energy
13	limited options and options that are essentially not
14	energy limited. So such a figure is merely a general
15	indication of economics, it can't be relied upon by
16	itself.
17	Q. But this does have some utility. It
18	is a comparison that you use, I take it, in planning.
19	A. We would generally use the cost
20	benefit ratio in preference to this.
21	Q. And if you turn with me to the next
22	page, which is figure 10 from the same exhibit, 28,
23	this is where we can get the cost benefit ratios?
24	A. Yes. I believe this was updated in
25	Exhibit 359.

	, , , , , , , , , , , , , , , , , , , ,
1	Q. Yes, I am aware it was. But these
2	two figures from Exhibit 28 were contemporaneous
3	documents; were they not?
4	A. Yes.
5	Q. So let's just stay with them for a
6	moment, if we could. I want to make sure I understand
7	this correctly. If you look at figure 10 which is
8	where the cost benefits ratios are set out, if you
9	look, for example, at Lake Gibson, the first entry, I
10	see a total levelized unit energy cost of 2.9.
11	Are you with me?
12	A. Yes, I am.
13	Q. And you have a cost benefit ratio of
L 4	.78?
L5	A. Yes.
16	Q. And does that tell me that the next
L7	best alternative will be in the area of about 30 per
18	cent more expensive than the Lake Gibson addition?
L9	A. The 30 per cent is what, the
20	difference between the 78 and the 100?
21	Q. Yes. If we take a ratio, you
22	compare78 represents, does it not, the ratio of
23	the LUEC of Lake Gibson to the LAC; correct?
2.4	A. That is correct.
25	Q. And the LAC will represent fairly

- closely, will it not, the cost of the next best option?
- A. It represents the avoided cost
- 3 derived from the things that are considered to be
- 4 incremental in the system incremental cost calculation.
- Q. And that will be the next best
- 6 option, I take it.
- 7 A. It's a mix of options.
- 8
 Q. Sorry?
- 9 A. It's a mix of options.
- Q. So, if we go back to figure 13 then,
- 11 should we not see that at least in general terms the
- 12 next best of these thermal options should come in at
- next best of these thermal options should come in at
- about where the levelized avoided cost was for the
- 14 comparable hydraulic?
- 15 A. I think this is where this figure
- starts to be very difficult to interpret.
- The avoided cost calculation is a mix of
- 18 generating additional energy from existing capacity of
- 19 different components of different types of additions of
- 20 new capacity operating together with the existing
- 21 system. So, there are many things that are taken into
- 22 account in the avoided cost calculation as we discussed
- 23 in Panel 3, and it becomes quite difficult to make the
- 24 alignment between these two figures.
- Q. And is that difficulty perhaps, Mr.

	Harris (cr Mark)
1	Snelson, why figure 13 wasn't updated along with figure
2	10?
3	A. We have always said that levelized
4	unit energy cost by itself for an energy limited option
5	is not a very good measure of its value, so we didn't
6	see the need to update it.
7	Q. Let me turn to one final issue. I am
8	not sure who should deal with this. I want to talk
9	briefly about the hydraulic sites which are being
1.0	developed by non-utility generators, and perhaps one of
11	you can help me out, who is most familiar with that.
12	Is anyone in particular?
13	No volunteers?
L 4	Mr. Snelson, I know you are never shy to
1.5	volunteer.
16	A. I suspect that the answer might be
17	that the witnesses on Panel 5 were the most familiar
1.8	with it, some of this would be, at least their
19	potential for non-utility generation.
20	Q. And I was more interested in
21	following up on some of the evidence that this panel
22	has given. Mr. Spelson, let me start with you

Do I understand the evidence in chief

minutes, if I can have your indulgence.

23

24

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Mr. Chairman, I will only be two or three

- correctly, Mr. Snelson, that Ontario Hydro doesn't
- 2 itself pursue development of the small sites because
- 3 historically you are positioned in terms of orientation
- 4 and staffing to do larger sites; is that it in a
- 5 nutshell?
- A. Yes. We are not well organized to do
- 7 the small things effectively.
- Q. And is the implication of that a
- 9 belief therefore that these resources can be exploited
- 10 more efficiently by somebody else, in this case the
- 11 private sector?
- 12 A. That has been the basis of our
- 13 planning, yes.
- Q. And obviously, or I assume one of the
- options which you considered and discarded was whether
- or not Ontario Hydro could become an effective
- developer of a myriad of small sites. Was that ever
- 18 considered?
- A. I believe that as a general
- 20 proposition there are witnesses who have given that
- 21 opinion. Mr. Vyrostko gave that opinion in Panel 5,
- 22 for instance.
- Q. Which opinion are you referring to?
- A. That it would be possible for Ontario
- 25 to organize to do the small sites effectively.

1 Q. Looking at it from the hydraulic 2 perspective, has there ever been any analysis done of which method of exploitation, by private generators or 3 4 by Hydro, is going to be more cost-effective? 5 A. I don't believe we know of any such 6 analysis. 7 Q. Let me turn to the opposite end of 8 the spectrum with non-utility generation, and that is the large sites which have been released, and you 9 10 discussed those somewhat in your testimony so far. 11 recall those, Mr. Snelson? 12 Yes, it was Ms. Basu Roy's evidence, 13 I believe. 14 Q. I apologize. 15 MS. BASU ROY: A. Yes, I believe I 16 mentioned four sites that were released to the private 17 sector. 18 Q. And these are sites, are they not, 19 Ms. Basu Roy, which are of a size which Ontario Hydro would consider it appropriate to develop itself with 20 21 its own resources? 22 That's correct. 23 And I understand from the evidence 24 that these are sites which the government released to 25 the non-utility generators; is that correct?

1	A. That's correct.			
2	Q. And did Ontario Hydro have any input			
3	into the decision by the government to release those			
4	sites to the private sector?			
5	A. It was a decision made by the			
6	Ministry of Natural Resources.			
7	Q. I understand that's who made the			
8	decision. My question was whether you had any input			
9	into that?			
10	MS. HARVIE: Whether, I am sorry,			
11	whether			
12	THE CHAIRMAN: Hydro had any input into			
13	that.			
14	MS. HARVIE: Mr. Chairman, I would have			
15	thought this matter would have been canvassed at great			
16	length in Panel 5 and I am surprised that it is being			
17	raised here.			
18	THE CHAIRMAN: Well, perhaps your			
19	surprised is understandable and maybe you're right, but			
20	if Ms. Basu Roy knows the answer, let's have the			
21	answer.			
22	[5:00 p.m.]			
23	Was Ontario Hydro involved in that			
24	decision in any way?			
25	MS. BASU ROY: In the decision to release			

1	the site to the private sector, we were not. I guess
2	we reviewed some of the proposals, but we were not
3	involved in the final decision.
4	MR. MARK: Q. The people at Hydro
5	responsible for hydraulic development, have they ever
6	expressed any interest in these sites?
7	MS. BASU ROY: A. Yes, we have. Some of
8	these sites were included in some of our plans earlier.
9	Q. And what was the rationale of the
10	corporation or at least the hydraulic division of the
11	corporation in not pressing for Ontario Hydro
12	development of those sites?
13	THE CHAIRMAN: I may be wrong, but I
14	think these sites were discussed in Panel 5.
15	MR. MARK: I think they were, Mr.
16	Chairman, and
17	THE CHAIRMAN: Just a moment, Mr. Mark.
18	And the people who knew about it, because
19	of course Hydro is very much involved in negotiating
20	with each of the owners of those sites, and I think the
21	people who really knew about it gave the answers to
22	these questions.
23	Ms. Basu Roy may not have the answers.

just interested in the perspective of those at the

If I may, Mr. Chairman, I was

MR. MARK:

24

	matris (cr mark)
1	corporation responsible for hydraulic development as
2	to the question may be as simple as: Why or to what
3	extent were they pitching and what they thought of it.
4	THE CHAIRMAN: All right.
5	MS. BASU ROY: I think the fact that we
6	had included some of these sites in our plans earlier
7	indicates what we thought of the sites.
8	MR. MARK: Q. You are being just a
9	little bit obscure for me, Ms. Basu Roy. Did you make
10	a pitch for the sites and did you think the corporation
11	could have developed them as efficiently as the private
12	sector?
13	MS. BASU ROY: A. We had included them
14	in our plans.
15	Q. Is that a "yes"?
16	A. We thought that the sites offered
17	good potential.
18	Q. And did you think you could exploit
19	them and develop them as efficiently as the private
20	sector could?
21	A. It's not really a decision for us to
22	make.
23	Q. I didn't ask you whether it was your
24	decision. Did you think that?
25	MR. SNELSON: A. Perhaps I can answer

Basu Roy, Snelson, Flook		
Wigle, Quinn, McCormick,		
Harris (cr Mark)		

1	4 h - 4	34	Mark.
	rnar.	Mr.	mark.

2	Yes, I believe that we were generally of
3	the view that these sites would have been better
4	developed by Ontario Hydro and that we let the
5	government know that fact, at least after the decision
6	if not before it.
7	MR. MARK: Thank you, Mr. Snelson. Those
8	my questions, Mr. Chairman. Thank you for your
9	indulgence, given the hour.
10	THE CHAIRMAN: Thank you, Mr. Mark. Do
11	you have any questions?
12	Mr. Mondrow, are you next, do you think?
13	MR. MONDROW: Mr. Chairman, Mr. Rodger
14	asked if he could proceed me, so I will follow him.
15	THE CHAIRMAN: All right. So Mr. Rodger,
16	you are next, and how long will you be?
17	MR. RODGER: Probably an hour and a half.
18	MR. MONDROW: I anticipate being half a

20 THE CHAIRMAN: Half a day?

And then, Mr. Hamer, are you going to be

involved?

day, Mr. Chairman.

19

21

22

23 MR. HAMER: An hour and a half, and

24 shrinking, Mr. Chairman. (Laughter)

THE CHAIRMAN: All right. And 25

1	interspersed in here is the Gas Association. They're
2	not here today, I take it? There is no one here from
3	the Gas Association?
4	MS. MORRISON: They're not going to be
5	cross-examining.
6	THE CHAIRMAN: They're not going to
7	cross-examine.
8	Well, with a fair wind we should get
9	IPPSO and AMPCO and AECL done tomorrow.
LO	And then Energy Probe is next? All
11	right. Energy Probe here? No? All right.
L2	We will adjourn until tomorrow morning at
L3	10:00.
L4	THE REGISTRAR: This hearing is now
L5	adjourned.
16	Whereupon the hearing was adjourned at 5:05 p.m. to be reconvened at 10:00 a.m. on Wednesday,
17	December 11th, 1991.
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